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CONTENTS

21 June 1989

ALBANIA

- GDR Foreign Minister Fischer Continues Visit ... 1
  - Carcani Receives Fischer *[Tirana Radio]* ... 1
  - Economic, Health Agreements Signed *[Tirana Radio]* ... 1
  - Fischer Meets Officials *[Tirana Radio]* ... 1
  - ADN Reports Cooperation Talks ... 2
  - Extension of Relations Desired *[ADN]* ... 2
- Professor Rebuts Serb 'Myth' on Kosovo Battle *[ATA]* ... 3

BULGARIA

- Mladenov To Pay Official Visit to FRG in June *[BTA]* ... 5
- Editorial Assesses Gorbachev's Visit to FRG *[RABOTNICHESKO DELO 17 Jun]* ... 5
- Mladenov Receives UN Under Secretary General *[BTA]* ... 5
- Joint Film Venture Formed With United Kingdom *[BTA]* ... 5
- Party Paper Views 'Complicated' Events in China *[POGLED No 25]* ... 6
- GDR's Stoph To Pay 'Friendship' Visit in Jun *[BTA]* ... 7
- Foreign Affairs Ministry, U.S. Discuss Drugs *[BTA]* ... 7
- Petroleum Supply Agreement Signed With Iran *[BTA]* ... 7
- Iranian Petroleum Minister Aqazadeh Interviewed *[TRUD 19 Jun]* ... 7
- BCP Daily Interviews Returnees From Turkey *[BTA]* ... 8
- Chief Mufti on Religious Freedom for Muslims *[BTA]* ... 9
- Further Public Support of Patriotic Unity Noted *[RABOTNICHESKO DELO 15 Jun]* ... 9
- Editorial Criticizes Lack of Discipline in Youth *[RABOTNICHESKO DELO 15 Jun]* ... 10
- Editorial Views Civic Discipline, Crime Rates *[RABOTNICHESKO DELO 16 June]* ... 11
- Human Rights Committee Discusses Death Penalty *[BTA]* ... 11
- Tariff, Nontariff Barriers on Imports Examined *[Belchev in OTECHESTVEN FRONT 12 Jun]* ... 12
- Bulgarian, CEMA Talks With EEC Discussed *[OTECHESTVEN FRONT 29 May]* ... 13
- Citizens' Queries on Bank Savings Answered *[Sofia Radio]* ... 14
- More Committees of Sociopolitical Forces Formed *[RABOTNICHESKO DELO 15 Jun]* ... 14
- Sociopolitical Committees 'To Unite' Country *[Sofia Radio]* ... 15
- Sociopolitical Committee Founded in Plovdiv *[Sofia Radio]* ... 15

CZECHOSLOVAKIA

- Jakes, Other Leaders Attend Women's Congress *[CTK]* ... 16
  - Jakes Addresses Women's Congress *[RUDE PRAVO 17 Jun]* ... 16
- Stepan Speech at CPCZ Central Committee Session *[RUDE PRAVO 16 Jun]* ... 20
- Resolutions From 14th CPCZ Session Published *[RUDE PRAVO 16 Jun]* ... 22
- Press Reports Presidium Session Proceedings *[RUDE PRAVO 16 Jun]* ... 22
- Style of Central Committee Work Assessed *[Podzimek in RUDE PRAVO 14 Jun]* ... 23
- Federal Assembly Meets; Considers Resolutions ... 24
  - Appeals to Hungary Over Dam *[CTK]* ... 24
  - Approves Report on Economy *[CTK]* ... 24
- Czech National Council To Convene 22 Jun *[RUDE PRAVO 15 Jun]* ... 24
- Nagy Funeral, Reaction to Fojtik Speech Viewed *[Nemeth in RUDE PRAVO 19 Jun]* ... 25
- Nagy Funeral 'Stage-Managed' by Opposition *[Vesely in Bratislava PRAVDA 19 Jun]* ... 25
- Gorbachev's FRG Visit Positively Assessed *[Kovarik in RUDE PRAVO 17 Jun]* ... 26
- Brzezinski's Role in Polish Elections Noted *[RUDE PRAVO 16 Jun]* ... 27
- Foreign Ministry Statement on Eritrean Issue *[RUDE PRAVO 17 Jun]* ... 27

GERMAN DEMOCRATIC REPUBLIC

Notev Case Threatens East-West Visits *[Hamburg DPA]* 28
People's Chamber Welcomes Soviet Appeal to World *[NEUES DEUTSCHLAND 15 Jun]* 28
GDR, FRG Trade Unionists Hold Talks *[ADN]* 29
Mittag Receives FRG Businessman on Trade Ties *[ADN]* 29
Foreign Ministry Welcomes Ethiopian Initiative *[NEUES DEUTSCHLAND 16 Jun]* 29
Sindermann Meets With Swedish Parliamentarians *[ADN]* 29
Mittag Holds Talks With SRV Counterpart *[Hanoi VNA]* 30
Signing of 'GDR-CSSR Youth Scheme' Reported *[NEUES DEUTSCHLAND 15 Jun]* 30
Kleiber Receives Bulgarian Official 14 Jun *[NEUES DEUTSCHLAND 15 Jun]* 31
Cooperation With Bulgarian Machine Industry *[NEUES DEUTSCHLAND 14 Jun]* 31
Economic Relations With Portugal To Expand *[NEUES DEUTSCHLAND 15 Jun]* 31
Fischer Receives Portuguese State Secretary *[NEUES DEUTSCHLAND 17-18 Jun]* 31
Economic Talks Conducted With Spain in Madrid *[NEUES DEUTSCHLAND 17-18 Jun]* 32
Economic, Trade Relations With Angola Discussed *[NEUES DEUTSCHLAND 17-18 Jun]* 32
Hoefner Delivers Speech on 1988 Budget *[NEUES DEUTSCHLAND 9 Jun]* 32
Declaration Adopted by Pedagogical Congress *[NEUES DEUTSCHLAND 16 Jun]* 38
    Pedagogical Congress Ends *[NEUES DEUTSCHLAND 16 Jun]* 38

HUNGARY

Grosz Criticizes Imre Nagy Funeral Orations *[MTI]* 39
Grosz on Nagy Funeral, Personnel Changes *[Budapest Radio]* 39
Editorial Views Nagy Funeral as 'Purification' *[Erdelyi in MAGYAR HIRLAP 19 Jun]* 39
Radio Notes 'Gloomy Tone' in TASS Commentary *[Budapest Radio]* 40
    Gerasimov Clarifies Stance *[Budapest Radio]* 41
Charter 77 Message to Hungarians on Nagy *[MAGYAR NEMZET 16 Jun]* 41
Fire at Soviet Garrison in Tab Injures 'Many' *[Budapest Radio]* 41
Nemeth Interviewed on CEMA, Relations With IMF *[POLITIKA 18 Jun]* 41
Fences, Trenches Built on Romanian Border *[Budapest Radio]* 43
Nyers Attends Socialist International in Sweden *[MTI]* 43
    Nyers Arrives in FRG *[MTI]* 43
    Nyers Speaks in FRG on Reforms *[Budapest Radio]* 43
Youth Leader Criticizes FIDESZ, 'Demagoguery' *[Budapest Radio]* 44
FIDESZ Official on First Roundtable Session *[MAGYAR HIRLAP 14 Jun]* 44
National Institute Holds Forum on AIDS *[MTI]* 44

POLAND

Commission Releases 2d Round Election Results *[PAP]* 45
    Voters 'Snub' Authorities *[AFP]* 45
PZPR Politburo Discusses Election Results *[PAP]* 46
Solidarity Parliamentarians To Meet 23 Jun *[PAP]* 46
Solidarity Daily on Coalition's Election Defeat *[Holzer in GAZETA WYBORCZA 7 Jun]* 46
Catholic Weekly Hails Solidarity Victory *[Skorzynski in PRZEGLAD KATOLICKI 18 Jun]* 47
Orzechowski Urges 'Government of National Trust' *[PAP]* 48
Rakowski Interviewed for Solidarity Journal *[GAZETA WYBORCZA 1 Jun]* 48
Rakowski Receives CSSR Deputy Premier *[PAP]* 51
Czyrek Receives Nicaraguan Sandinist Delegation *[PAP]* 51
Miodowicz Addresses Labor Conference *[PAP]* 52
Democratic Party Committee Presidium Meets *[PAP]* 52
Increase in Sugar Prices Announced *[PAP]* 52
Article Assesses Gorbachev's Visit to FRG *[Lulinski in TRYBUNA LUDU 16 Jun]* 53
Train Hits Soviet Army Vehicle; Casualties *[Warsaw Radio]* 54
Bialystok Voivoda Returns Freight Train to USSR *[Warsaw Radio]* 54
    Train Remains at Border *[PAP]* 54

ROMANIA

Anti-Romanian Hungarian 'Provocations' Rejected *[AGERPRES]* 55
'Intensive Growth' in Economy, National Income *[AGERPRES]* 56

YUGOSLAVIA

Markovic Presents Economic Plan, Draws Reactions 58
  Delivers Speech to Assembly *[Belgrade Radio]* 58
  Program Receives Mixed Reviews *[Petkovic in VJESNIK 16 Jun]* 65
  DELO Comments on Speech *[Jager, 15 Jun]* 66
Markovic Addresses Civil Protection Delegation *[TANJUG]* 66
Markovic Talks With TV, Radio Representatives *[TANJUG]* 66
Serbian-Slovenian Relations Termed 'Almost Cold' *[TANJUG]* 67
DELO Questions Serbia's Intentions, Direction *[Jez, 15 Jun]* 67
Kosovo Youth Federation Supports President Hodza *[POLITIKA 18 Jun]* 68
Obilic LC Views National Relations, Divisions *[TANJUG]* 69
'Solidarity' Defends Work in Public Statement *[TANJUG]* 69
Serbian Assembly Debates Economic Development *[TANJUG]* 70
Bicaj, Kajdomcaj Elected to Kosovo Presidency *[TANJUG]* 70
Bonn Embassy on Albanian Nationalist Activity *[TANJUG]* 70
Slovene's Rupel Compares Serbia to Great Britain *[BORBA 15 Jun]* 71
Slovene Leaders Blamed for Serbian Situation *[TANJUG]* 71
Slovene Peasants Plan Milk Boycott 29 Jun *[BORBA 15 Jun]* 71
Slovene LC Moots 'Organizational Independence' *[Ljubljana Radio]* 72
Tacen Gathering Adopts Conclusions at Meeting *[DELO 19 Jun]* 72
Kucan, Slovene Party Delegation Visits Macedonia *[Belgrade Radio]* 73
Macedonian LC Discusses Albanian Relations *[TANJUG]* 73
Montenegro Assembly Explains 'Special Measures' *[TANJUG]* 73

GDR Foreign Minister Fischer Continues Visit

Carcani Receives Fischer

AU2006143789 Tirana Domestic Service in Albanian 1330 GMT 20 Jun 89

[Text] This morning, Adil Carcani, chairman of the Council of Ministers of the People's Socialist Republic of Albania, received Oskar Fischer, minister of foreign affairs of the German Democratic Republic. The meeting was also attended by Reis Malile, minister of foreign affairs; and Enver Halili, general secretary of the Council of Ministers.

Comrade Adil Carcani had a friendly meeting with Foreign Minister Oskar Fischer. He expressed the conviction that the relations and the cooperation between Albania and the German Democratic Republic will be further developed to the benefit of our two countries and peoples. Comrade Adil Carcani said that the economic, industrial, technical, and scientific cooperation agreement, as well as the agreement on cooperation in the field of health and medical sciences, which were signed today, open up new prospects for cooperation between the two countries.

Comrade Adil Carcani spoke to the East German minister of foreign affairs about Albania's economic and social development, as well as the independent foreign policy of our state in defense of its freedom and independence, peace, and international security.

Oskar Fischer, minister of foreign affairs of the German Democratic Republic, expressed his thanks for the cordial welcome given his delegation in Albania and stressed the desire of the Government of the German Democratic Republic for the extension of relations and cooperation with the People's Socialist Republic of Albania. He conveyed to Comrade Adil Carcani greetings to the Albanian Government and people on behalf of Willi Stoph, prime minister of the German Democratic Republic.

Comrade Adil Carcani asked Oskar Fischer to convey greetings to Willi Stoph, chairman of the Council of Ministers.

Ilir Bocka, extraordinary and plenipotentiary Albanian ambassador to Berlin, and Dietrich Kulitzka, extraordinary and plenipotentiary GDR ambassador in Tirana, were also present.

Economic, Health Agreements Signed

AU2006185389 Tirana Domestic Service in Albanian 1800 GMT 20 Jun 89

[Text] An agreement on economic, industrial, technical, and scientific cooperation was signed today in Tirana between the Governments of the People's Socialist Republic of Albania and the German Democratic Republic. The agreement was signed for Albania by Reis Malile, minister of foreign affairs, and for the East German side by Oskar Fischer, minister of foreign affairs.

The agreement covers cooperation between the two countries in the fields of the engineering industry, the electrical engineering industry, the metallurgical sector, the mining industry, the food industry, agriculture, livestock-raising, and so forth, as well as the exchange of scientific and technical information.

A cooperation agreement in the field of health and medical sciences was also signed today between the Governments of the People's Socialist Republic of Albania and the German Democratic Republic. The agreement was signed for Albania by Ahmet Kamberi, minister of health, and for East Germany by Oskar Fischer, minister of foreign affairs.

The agreement, which covers a 5-year period, stipulates cooperation in the field of measures to improve the health of people, clinical services, the exchange of experience and scientific data, and the exchange of physicians and specialists, and so forth.

The signing ceremony was attended by Pali Miska, deputy chairman of the Council of Ministers and minister of agriculture; Farudin Hoxha, minister attached to the Council of Ministers; members of the two delegations; Ilir Bocka, extraordinary and plenipotentiary Albanian ambassador in Berlin; and Dietrich Kulitzka, extraordinary and plenipotentiary GDR ambassador in Tirana.

Fischer Meets Officials

AU2006192689 Tirana Domestic Service in Albanian 1800 GMT 20 Jun 89

[Text] This morning, Farudin Hoxha, minister attached to the Council of Ministers, received Oskar Fischer, minister of foreign affairs of the German Democratic Republic. During their talks, they assessed the existing cooperation in various branches of the economy between Albania and the German Democratic Republic, as well as the possibilities of further extending economic and industrial cooperation between the two countries.

Shane Korbeci, minister of foreign trade, also had a meeting with Oskar Fischer, foreign minister of the German Democratic Republic. They assessed the current state of trade between the two countries, as well as the possibility of further expanding it.

Foreign Minister Oskar Fischer and the persons accompanying him visited the National History Museum, where they were acquainted with Albania's history and its achievements. The East German delegation also went to the Enver Hoxha Tractor and Automobile Combine in Tirana, where they were received by Pandi Karakuli, director of the General Directorate of the Engineering

Industry, and the combine's director, Hamit Hanku. The German minister met with workers and specialists and was briefed about the achievements of the engineering industry and its products.

During these visits, Oskar Fischer and the members of his delegation were accompanied by Muhamet Kapllani, deputy minister of foreign affairs. Ilir Bocka, extraordinary and plenipotentiary Albanian ambassador in Berlin, and Dietrich Kulitzka, extraordinary and plenipotentiary GDR ambassador in Tirana, were also present.

This evening, the German minister and the persons accompanying him attended a performance at the Opera and Ballet Theater.

ADN Reports Cooperation Talks

LD2006115889 East Berlin ADN International Service in German 1054 GMT 20 Jun 89

[Text] Tirana (ADN)—Adil Carcani, chairman of the Council of Ministers of the Socialist People's Republic of Albania, received GDR Foreign Minister Oskar Fischer in Tirana today for a discussion on the further development of bilateral relations, as well as on international problems of mutual interest. During their meeting, which was held in an atmosphere of cordiality and frankness, both sides briefed each other in detail on developments in their countries. They agreed that there are no obstacles to the brisk expansion of bilateral relations, which will be of benefit to both sides. Albania and the GDR, they stressed, are striving for continuity and stability in this respect.

Oskar Fischer and his Albanian counterpart, Reis Malile, earlier signed a government agreement on bilateral economic, industrial and scientific-technological cooperation which, as a framework agreement, provides above all for an expansion of trade and for the tapping of new areas of cooperation. Contacts in the field of science and technology also include the exchange of know-how and the training of Albanian specialists in the GDR. The GDR foreign minister and Health Minister Ahmet Kamberi signed a government agreement on cooperation in the field of health and medical sciences. This framework agreement provides, among other things, for an increase in the number of spa patients to be exchanged.

At the start of the 2d day of his official friendship visit to Albania, Minister Fischer had talks with Farudin Hoxha, minister with the Presidium of the Council of Ministers, and with Foreign Trade Minister Shane Korbeci.

The constructive exchange of views with Minister Hoxha was marked by the determination of both sides to develop their relations in numerous ways. Economic cooperation occupies an important place in this respect. Both states are currently examining specific possibilities for intensifying their economic relations and are preparing for a meeting of the joint economic committee to this end. Farudin Hoxha stressed that Albania is convinced of the benefit of economic cooperation with the GDR and wants to expand it. He pointed out his country's efforts to keep deliveries stable. Minister Fischer underlined the GDR's intention to always remain a reliable economic partner of Albania.

Oskar Fischer and Shane Korbeci expressed the two sides' satisfaction at the dynamic development of foreign trade which is based on the tested principle of mutual advantage. The purposeful development of foreign trade helps to strengthen the material basis of socialism and to provide the population with foodstuffs and luxury goods, vegetables, and consumer goods. Albania is particularly interested in obtaining tractors and agricultural machinery and equipment from the GDR, stressed Minister Korbeci.

Extension of Relations Desired

LD2006170789 East Berlin ADN International Service in German 1534 GMT 20 Jun 89

[Text] Tirana (ADN)—Adil Carcani, chairman of the Council of Ministers of the Socialist People's Republic of Albania, regards the official friendship visit of GDR Foreign Minister Oskar Fischer as a response to the desire of the Albanian people to rapidly extend relations between the two countries. During a meeting with the GDR official in the office of Council of Ministers, he noted in Tirana today Albania's desire to further extend relations with the GDR in all areas.

There are no political obstacles to this. In addition to proven areas and forms of cooperation, new areas should also be opened up.

Adil Carcani briefed his guest in detail about the efforts of the Albanian Government to raise people's living standards and to guarantee the country's independent development. Agriculture has taken on the demanding task of providing more for the workers.

Albania supports the efforts of other countries and peoples for independent development. Peace is essential for the optimal development of the merits of socialism; therefore Albania and the GDR are valuable partners in shaping of socialism.

Oskar Fischer confirmed that there are possibilities to extend bilateral cooperation in all areas. The GDR wants to exploit these most resolutely, since this contributes to strengthening socialism in both countries. He is glad to see the same intention on the Albanian side. The GDR foreign minister clarified problems in socialist development in the GDR, which is being performed in the spirit of continuity and renewal.

The interlocutors noted that both countries are promoting socialism in their countries in accordance with specific requirements, and on the basis of Marxism-Leninism. This does not represent an obstacle to bilateral cooperation. Adil Carcani and Oskar Fischer briefed each other in detail on the conditions in which both countries are promoting socialism. They noted that all that is being done for socialism in individual countries serves peace, and directly benefits people.

During the day, Foreign Minister Fischer and those accompanying him visited the "Enver Hoxha" car and tractor combine, which specializes in the manufacture of engines. Here he also had friendly talks with workers.

In the afternoon, the GDR guests visited the "Albania Today" exhibition, which was opened in 1970 and is constantly updated. It conveys an impressive overview of Albania's efforts for the construction of socialism, and of the country's cultural traditions.

An evening concert given by the State Folk ensemble of the Socialist People's Republic of Albania, in honor of the guests, concluded the 2d day of the visit.

Professor Rebuts Serb 'Myth' on Kosovo Battle

AU1706155689 Tirana ATA in English
0740 GMT 17 Jun 89

["The Albanians and the Field of Kosovo Battle of 1389"—ATA headline]

[Text] Tirana, June 17 (ATA)—Under the above title the newspaper ZERI I POPULLIT carries today an article by Prof Stefanaq Pollo which says among others:

The Field of Kosovo Battle of 1389 between the coalition of the Balkan countries and the Ottoman invaders is part of those major events of the past that have marked a turning point in the life of the peoples of our peninsula. We commemorate it not simply as an historic event but also as a battle where the Balkan peoples fought to defend their freedom and independence, making innumerable sacrifices, as a battle that united the peoples of the peninsula in a sole front against the foreign invaders. In the heroic resistance against the Ottoman invaders of the end of the 14th century, the Albanians were distinguished for their bravery and freedom-loving spirit, as well as for their readiness to collaborate with the neighbours against the common enemy. The inundation of the sultan's armies put at stake not only the Albanians but the whole peoples of the Balkans. Hence, since the very beginning, the necessity to unite the forces in front of the aggression was imminent. The Albanians were united with the neighbours in the Battle of Marica of 1371. It was followed by other clashes of the Albanians with the Ottoman Turks. The loss reconfirmed the indispensable necessity of unification. The first victory of the Albanian units of Gjergj Balsha II, united with the Serbian and Bosnian forces was attained in Plocnik in 1387. These victories consolidated the coalition of the peoples of the Balkans, and the conviction to face the Ottoman invasion, in a decisive confrontation of their united forces. This confrontation took place on the Field of Kosovo on June 28, 1389.

The main forces that participated in this battle were those of the Serbian principality of Morava, ruled by Knez Lazar, of the Albanian ones by Gjergj Balsha II, of the Serbian principality of Vuk Brankovic who dominated the Albanian territories of Kosovo and those of Bosnia led by the ruler Tvrtko. The historic sources point out that participants in this battle were also the forces of two Albanian feudal rulers Dhimiter Jonima, whose possessions lay between Lezhe and Rreshen, and of Teodor Muzaka II, master of Berat and ruler of Myzeqe. Alongside these, the sources mention also Bulgarian, Wallachian forces, etc.

The regular Albanian military forces were stationed on the right of the front, where, as it seems, those of Vuk Brankovic, which comprised also Albanians of Kosovo, were ranked not fortuitously. The Battle of the Field of Kosovo is a testimony of the freedom-loving spirit of the people's masses of the peninsula, which even before had given proofs of their determination to cope with the aggression and preserve the independence of their countries. This militant spirit remained invincible even after the defeat. The most brilliant example was set by the Albanians, who through their major 25-year-long anti-Ottoman struggle led by Gjergj Kastrioti Skenderbeg manifested their ardent patriotism, the boundless love for the freedom and independence of their country and the readiness to sacrifice every thing for their sake.

The Battle of the Field of Kosovo as well as the former ones, of Marica and Plocnik have gone down in history as a brilliant example of Balkan cooperation. The collaboration of the peoples of the Balkans would be manifested even in the course of the Ottoman rule. The participation of volunteers from the Balkan countries in the Serbian, Greek, and Romanian liberation revolutions of the 19th century, as well as the ideas of the democratic revolutionaries of these countries for Balkan solidarity in the struggle to oust the empire of the sultans from the peninsula, constitute a brilliant page in this direction. As an historiographic fact, the Field of Kosovo Battle has attracted the attention of the historians of various countries within and outside the peninsula. But unfortunately, the expansionist tendencies to truncate Albania and to wipe the Albanian nation out of the political map of the Balkans found their reflection also in historiography, in the publicist and all the nationalist propaganda, which presented the Albanian people as a people without history and culture, and as a consequence did not deserve to have even their own state. It is in this spirit that the historic events of the Balkans are treated. This bad tradition is revived today by the big-Serb historiography even when we have to do with the Field of Kosovo Battle of 1389. The idea permeating the whole Serbian nationalist historiography is the denial of the Albanians' participation in this battle and especially the denial of the participation of the Albanians of Kosovo for the simple reason that, according to it, Kosovo has been in the 14th century a "Serbian original land," without Albanians who colonized it as invaders by the end of the 17th century and at the beginning of the 18th century with the assistance of the Ottoman rulers.

Consequently, the Field of Kosovo Battle is for them not a battle of the peoples of the Balkans, as a series of outstanding historians have called it, a battle where the Albanians have played an important role, but a battle of the Serbian-Bosnian forces. And they continue to stick to this viewpoint even today, when important sources have come to light, especially Ottoman ones, which clearly and surely point to the presence of the Albanian forces in the battle, considering them among the most important alongside the Serbian and Bosnian ones. What mostly upsets the big-Serb historians is the presence in this battle of the Albanians of Kosovo, which turns down their thesis so much trumpeted on Kosovo as "the cradle, soul, heart of Serbia." A series of historic sources, especially Ottoman ones, prove that the Albanians of Kosovo, though not having their state formation as those of the other territories, because they were under the rule of the Vuk Brankovic principality, they were present in Kosovo in the 14th century, as an overwhelming population living in their ancient territories.

The 600th anniversary of the Field of Kosovo Battle has urged in Serbia the launching of a vertiginous campaign by the press and all the means of propaganda where the historic reality is replaced by the Serbian myth on Kosovo, arbitrarily violating the facts under the spirit of the Serbian exclusiveness.

All these and the ultra mass rallies which are supposed to be organised are inflating extremely the Serbian nationalism and hatred against the Albanians, passing into chauvinist delirium. The rank and file has the right to ask why such a clamour when none of the major historic events of the Serbian people is celebrated at such proportions. The paradox finds its explanation in the fact that the big-Serb circles are seeking to transform the bloodshed in this battle into the main argument to convince the internal and external public opinion with the "historic" rights of Serbia in Kosovo and to legalize the anti-Albanian policy actually pursued in this province.

The careful study of the sources on the Field of Kosovo Battle and their accurate and objective interpretation is a duty of the science of history. They assist not only in revealing the truth, but also to draw the necessary lessons to place them in service of the understanding among the peoples and their cooperation.

Mladenov To Pay Official Visit to FRG in June

AU1906174789 Sofia BTA in English
1621 GMT 19 Jun 89

[Text] Sofia, June 19 (BTA)—At the end of June 1989 Mr Petur Mladenov, minister of foreign affairs of Bulgaria, will pay an official visit to the Federal Republic of Germany at the invitation of Mr Hans-Dietrich Genscher, vice-chancellor and minister of foreign affairs of the F.R.G.

Editorial Assesses Gorbachev's Visit to FRG

AU1906192289 Sofia RABOTNICHESKO DELO
in Bulgarian 17 Jun 89 p 5

[Editorial article: "Expression of Real Change"]

[Text] A new chapter opened in relations between Moscow and Bonn—this is the unanimous evaluation of the 4-day official visit of Mikhail Gorbachev to the FRG.

The visit was anticipated and followed with exceptional interest, and its results were greeted with great satisfaction not only by the two countries. This was prompted by the decisive importance of USSR-FRG relations for the European political climate. One must add several additional reasons: The importance of the moment at which the visit took place, a moment at which rapid and tangible changes are taking place; the similarity or identity of the two states' positions on the main issues related to strengthening the all-European process and disarmament; and the common economic interest in enriching cooperation and the possibilities of expanding cooperation in constructing the common European home.

Those possibilities were utilized in the broadest and most rational manner. The joint political declaration—the basic document of the summit—established a firm foundation of further developing bilateral relations. It also contains many ideas on our continent's future. The Bonn declaration is viewed by political observers as a development of the Moscow treaty of 1970. It inspires much real hope of achieving new quality in relations between the two countries, which have complex historical relations. Simultaneously, the declaration is the first document of this kind, in which the two most populated and, from an industrial point of view, most powerful countries, which belong to two different military-political alliances, jointly outline the goals of their policy. The joint declaration signed by Mikhail Gorbachev and Helmut Kohl outlines the vitally important problems that mankind faces, which can be solved only by joint efforts. This unique political document devotes a special place to European matters and to issues related to strengthening peace and international security, as well as disarmament. The USSR and the FRG, assessing the past in a responsible manner, stress their willingness to steadily develop their bilateral relations along an ascending line and base them on a firm foundation, with the participation of West Berlin, while strictly observing the quadrilateral agreement of 1971.

The 12 agreements that were signed and that outline a broad range of cooperation in the political, humanitarian, and economic areas, represent a specific appendix to the political declaration. These agreements create the possibility of achieving greater flexibility and dynamics in expanding the scope of bilateral relations. The lasting importance attributed to these relations was underscored by Mikhail Gorbachev in his speech to the members of the FRG Eastern Economic Committee: "....there is no firmer ground for good-neighborly relations than interwining the economies and creating economic mutual dependence."

Assessing the specific dimensions of the results achieved during the 4-day visit of the Soviet leader to the FRG, some commentators described them with good reason as an adequate expression of the new political thinking and a significant contribution to constructing a united Europe.

Mikhail Gorbachev's visit to the FRG demonstrated the great possibilities of cooperation between the USSR and the FRG, a factor which has an important place in the complex of East-West relations. It also revealed the role of restructuring and democratization not only in the USSR's internal, but also in its international policy. The qualitative changes in relations between the two great European countries would have been impossible without the processes of renewal in Soviet society. These changes correspond not only to the needs of world development, but also introduce new and constructive elements in international relations, as well as greater stability and more hopes for the future.

Mladenov Receives UN Under Secretary General

AU1606155389 Sofia BTA in English
1453 GMT 16 Jun 89

[Text] Sofia, June 16 (BTA)—Mr Petur Mladenov, minister of foreign affairs, today received Mr Yasushi Akashi [name as received], under secretary general of the United Nations for Security and Disarmament Affairs, who is visiting here at the invitation of the Bulgarian Government. The sides held a fruitful exchange of views on Bulgaria's cooperation with the UN in this area.

Mr Yasushi Akashi also conferred with Colonel General Khristo Dobrev, first deputy minister of national defence, and with Mr Lyuben Gotsev, deputy minister of foreign affairs.

Joint Film Venture Formed With United Kingdom

AU2006153089 Sofia BTA in English
1343 GMT 20 Jun 89

[Excerpt] Sofia, June 20 (BTA)—Balkan Film Enterprises is a joint limited liability Bulgaro-British venture which was incorporated here by the Bulgarian National Film Corporation, Pergamon Media of the Maxwell International Group and the Bulgarian Electronics Bank.

The joint venture is the first of its kind within the framework agreement signed at the end of 1987 by Mr Georgi Yordanov, minister of Culture, Science and Education, and by Mr Robert Maxwell, president of Pergamon Press.

The venture was formed in compliance with the State Council Decree on Economic Activity which was adopted at the beginning of this year.

Balkan Film Enterprises will make animated cartoons and other films, co-produce feature and TV films and provide filmmaking services to third countries. It will supply goods and high technologies for the need of the film industry, it will carry out marketing and personnel training. [passage omitted]

Party Paper Views 'Complicated' Events in China

AU2006175289 Sofia POGLED in Bulgarian
No 25 19 Jun 89 p 6

[Article by Evgeniy Donchev, BTA correspondent in Beijing: "China Was on the Brink of Disaster"—special for POGLED]

[Text] The events which took place in the PRC over the last 2 months were exceptionally complicated and multidimensional. They went through numerous phases and finally reached their climax on the tragic night of 3 to 4 June, which further complicates the objective analysis of the events. For this reason I am just expressing my own opinion as an eyewitness from the very beginning of the events. The question, whether my view will coincide with the final conclusions of the Chinese leadership can be answered only after all aspects of the unrest have been clarified, and this has so far not been the case.

The existence of a students' movement, which occupied Tiananmen Square for a long time, is a fact. It is also true that the young people's claims were supported by a relatively large mass of people—up to 1 million at certain times. There was also a conductor behind the stage (who has not yet been fully unmasked), and who dictated the slogans according to the tactical goals of a certain strategic task—namely to carry out an antisocialist coup in the PRC. These slogans were adopted, initially, by the extremist leadership which prevailed among the students, followed by some of the unsuspecting, but excitable youths, and finally—when the vast mass of people overcrowded the Beijing center night and day—by the rest of the participants, with inevitable exceptions. Martial law was declared on 20 May and this was the first escalation, because the Beijing population did not understand the role of the Army and prevented it from entering the city. Nevertheless, the troops managed to reach Tiananmen Square and this was the beginning of the end—once more the crowds blocked the soldiers' way and this is where the main actors—mostly young—people went into action by attacking major party and government buildings, killing soldiers and security guards.

In this context we can describe the first dimension, namely the students' movement, as having started on 15 April following Hu Yaobang's death, when the students established themselves on the square. Their speakers did not say anything bad, nor anything new in those first days, they just called for an immediate solution of problems which were also included in the Chinese leadership's program.

The ensuing slogans, however, demanding the collective resignation of the government and the CPC Central Committee, further removed the students movement from its official goal of eliminating negative phenomena and introducing democracy (this concept was not specifically substantiated until the end) within the framework of socialism.

The majority of intellectuals, workers, and state employees shared a common cause, namely the fact that these categories of citizens were most severely affected by the unprecedented inflation in China, which made them potential participants in unrest as early as a year, or a year and a half ago. This conclusion is also dictated by the fact that a very important group—namely the peasants' masses, with very few exceptions, did not participate in the demonstrations. It is a significant factor, because considering their great number, their involvement may have provoked a national disaster. The reason for their absence is that Deng Xiaoping, the architect of the Chinese reform, with foresight satisfied the interests of nearly 800 million peasants. In addition, certain problems that have emerged in Chinese agriculture over the last 2-3 years are not serious enough to upset the overwhelming majority of the PRC population.

The students claimed that political reform in China was lagging behind the economic changes—and in a broader context—they tried to promote democratization in this sphere. They were right, but overlooked the question, of whether conditions are ripe for such a process in a country, where one-fourth of the population is illiterate, or half-literate according to Chinese criteria. In addition to this, it was not clear what kind of political reform the students were asking for.

I think that it would be too hasty to make forecasts about the possible results of these events affecting the PRC's socioeconomic and political development, considering that the situation has not yet returned to normal, and the greatest danger has not been totally banned. Nevertheless, I think that the escalation is over, that not only the tanks on Tiananmen Square, but also the ordinary people's own common sense will presumably open their eyes, after the great excitement has subsided. Since the plan within the PRC's administrative-political center has failed, the chances of the "conductor" are diminishing as a whole—despite the fact that the unrest has extended to other major cities, where the well-known Beijing style can be easily recognized.

I can only presume that the policy of reforms and open doors will not change in the future, because it responds to the entire people's basic interests. Nevertheless, the struggle against negative phenomena, such as corruption and profiteering, will be more irreconcilable, since these phenomena served as a pretext for the claims of various informal organizations that the entire 47 million-strong CPC and the government are "rotten." The ideological-political education of the youth also deserves attention, so that young people should not be once more instigated to confront the socialist system. Glasnost on the most important questions of present-day Chinese society will presumably also receive strong impetus, which should promote political democracy. This is the request of our time. The future will show, when and how it will happen. The problem of social justice in the course of the reforms is more complicated and urgent, because it affects the basic producers of material and intellectual assets. It is inadmissible that private vendors of ready-made clothes should be millionaires, while intellectuals and workers can only look at shop windows loaded with goods produced through their own efforts. Nevertheless this is only my personal opinion, because Chinese people should better understand their country's priorities. The people, however, are now awaiting, in a peaceful atmosphere, a solution to the real problems which have crystallized out of the chaos.

GDR's Stoph To Pay 'Friendship' Visit in Jun

AU2006165089 Sofia BTA in English
1619 GMT 20 Jun 89

[Text] Sofia, June 20 (BTA)—At the invitation of Mr Georgi Atanasov, chairman of the Council of Ministers of the People's Republic of Bulgaria, Mr Willi Stoph, chairman of the Council of Ministers of the German Democratic Republic, will pay an official visit of friendship to Bulgaria at the end of June 1989.

Foreign Affairs Ministry, U.S. Discuss Drugs

AU1506203889 Sofia BTA in English
1927 GMT 15 Jun 89

["Bulgaria, the United States: Cooperation in Fighting Narcotics"—BTA headline]

[Text] Sofia, June 15 (BTA)—Today, at the Ministry of Foreign Affairs, a meeting was held between representatives of Bulgaria and the United States of America to discuss matters of the cooperation in fighting narcotics.

Bulgaria was represented by Mr Petur Mladenov, minister of foreign affairs. Mr Georgi Tanev, minister of the interior, representatives of the Bulgarian Customs Authorities.

The American side was represented by Mr Sol Polansky, U.S. ambassador to Sofia, representatives of the U.S. Agency for Fighting Narcotics (D.E.A.), of the American Customs Authorities, etc.

The two sides agreed that it is beyond the powers of one country only, no matter whether big, medium or small, to solve the complex problems of drug trafficking and drug habits.

It makes it necessary for all countries to join forces in their struggle against this evil, with the elimination of which all are concerned. The two sides also underlined that cooperation is an important element in the context of the relations between Bulgaria and the United States which contributes to strengthening confidence, creating favourable conditions for the overall development of bilateral relations on the basis of the balance of interests. A shared satisfaction was expressed with the cooperation between the two countries up to now and measures were outlined for its further promotion.

Petroleum Supply Agreement Signed With Iran

AU1606173589 Sofia BTA in English
1233 GMT 16 Jun 89

["Bulgaria, Iran: Long-Term Economic Cooperation"—BTA headline]

[Text] Sofia, June 16 (BTA)—A protocol for long-term cooperation between Bulgaria and Iran in the chemical and gas industry was signed today by Mr Petko Danchev, chairman of the Biotechnological and Chemical Industry Association,and Mr Gholamreza Aqazadeh, minister of oil of Iran.

The document determines the basic trends for long-term cooperation between the two countries in the petroleum, gas and chemical industry. The programmes are specified for supply to Bulgaria of Iranian petroleum and gas in exchange for means for automation and management in petroleum production and refining for Iran as well of as other goods in which the Iranian side is showing interest.

The branches are determined for the construction of joint economic projects of mutual interest on the two countries' territories.

Iranian Petroleum Minister Aqazadeh Interviewed

AU2006120989 Sofia TRUD in Bulgarian
19 Jun 89 p 3

[Interview with Gholamreza Aqazadeh, Iranian petroleum minister, by Rumyan Georgiev, TRUD correspondent: "Gholamreza Aqazadeh: Something More Than Trade"—"given prior to his departure from Bulgaria"]

[Text] As has been announced, last week Gholamreza Aqazadeh, Iranian minister of petroleum, paid an official visit to Bulgaria at the head of an economic delegation. He was received by Comrades Todor Zhivkov and Georgi Atanasov, and had talks with many officials and representatives of our business circles. Prior to his departure Minister Aqazadeh, who has been a member of the Iranian Government for 8 years, was kind enough to grant TRUD an interview.

[Georgiev] Your visit ended with the signing of a protocol on cooperation in the chemical and gas industry. You described that document as "the beginning of a long-term program of developing economic relations between the two countries," and said that the results of your talks in Bulgaria exceeded your preliminary expectations. What has the Iranian delegation left behind and what is it taking to Iran?

[Aqazadeh] Beginning with 1990 Bulgaria will receive a larger amount of Iranian natural gas. This is a long-term agreement, whose importance can easily be assessed against the background of the increasing world energy and raw material problems. The forecasts in this area, especially in anything related to the second half of the next decade, are not overly optimistic. From you, we shall receive chemical products and medicines, and probably also technical means and systems of automation and managing installations in the petroleum-processing, petrochemical, and gas industries. We can develop a broad range of joint activities. The economic projects include the establishment of joint enterprises with resources invested both by Bulgaria and Iran. However, the material result is not the only or even the main aspect of our visit. The sincerity, openness, and cordiality of our relations are much more valuable.

[Georgiev] How will the Iranian gas reach Bulgaria?

[Aqazadeh] Through the territory of another country that is friendly to Bulgaria.

[Georgiev] Do you envisage any difficulties in implementing the agreements that have been reached?

[Aqazadeh] Must there be difficulties? What nature could they have?

[Georgiev] For example, political difficulties. Do you think there is any reason for the emergence of such difficulties?

[Aqazadeh] No. Categorically, no.

[Georgiev] Let us return to the world of petroleum. I think that it changed a lot after the great energy crisis of the 1970's. For many people this is still "the period of Sheikh Yamani," the Saudi oil minister whose influence in OPEC, and especially in OAPEC, the Organization of the Arab Oil-Producing Countries, was significant. What do you think has changed since that time and what are the new factors?

[Aqazadeh] The first sharp increase doubled the oil price. At the time it was approximately $6 a barrel. Afterward the world was acquainted with prices that exceeded $30 a barrel. In the last 3 years we have tried to return to a normal market and normal prices. I do not think that a single minister can influence OPEC. As far as the organization itself is concerned, I believe that it is in good shape.

[Georgiev] You have been the Iranian minister of petroleum for 4 years now. Could you tell us something about yourself?

[Aqazadeh] I am married and have 4 children. My education is in the area of computer technology.

BCP Daily Interviews Returnees From Turkey

AU2006131089 Sofia BTA in English
1219 GMT 20 Jun 89

["They Preferred Calm to Uncertainty"—BTA headline]

[Text] Sofia, June 20 (BTA)—Today's RABOTNICHESKO DELO daily carries statements by Bulgarian citizens who hastened to return from neighbouring Turkey after a recent visit there. Those people admit that they had given in to the moods of some fellow-citizens and had headed south without thinking too much about it. Their first steps on Turkish soil already prompted to them the only correct decision: to board the earliest train that would take them back to Bulgaria.

"Several hours on foreign soil were enough to convince them that there are hardships and uncertainty ahead for them in an unknown reality," the newspaper writes.

In a report from the border town of Svilengrad, the RABOTNICHESKO DELO correspondent quotes Mr Lefter Dimitrov, a worker from the city of Burgas, as saying: "I went on a pleasure tour together with my wife Maya and our two little boys. We have never before travelled abroad. We planned to stay at a hotel. Instead of letting us go to our destination, Istanbul, they took us off the train right at the Turkish border station of Kapi Kule. They suggested to accommodate us in a tent, and it was raining cats and dogs. The children would fall ill.... We had no problems obtaining passports in Bulgaria and leaving. All we wanted was to visit relatives and to go back, we have taken only a little luggage. In Turkey, however, they made us renounce our Bulgarian nationality against our will, but we cannot betray our country. We want our children to grow up in freedom and happiness...."

Demir and Elena Demirov of the village of Vedrina near the town of Tolbukhin also found that they were deceived in their expectations of a pleasure trip to Turkey.

Says Stefka Atanasova:

"It became clear already from the railway station that the Turkish authorities want us to say that we are Turks: They asked us straightaway about our Turkish-Arab names. We were scared that they might take away our Bulgarian passports and our Bulgarian nationality. Our homes and our workplaces are in Bulgaria. We don't have any relatives in Turkey, all our kin are in Bulgaria.... There was a brass band and banners at the Turkish railway station. However, they didn't tell us where we would be accommodated. They didn't tell us what was in store for the rest of our compatriots, either."

The people themselves decided to leave and themselves decided to come back, writes the RABOTNICHESKO DELO correspondent. Now they want to go back to their homes as soon as possible and to tell their friends and relations about the several hours' long "pleasure trip" to Turkey. They want to go back to their native places in Bulgaria.

Chief Mufti on Religious Freedom for Muslims

AU2006133289 Sofia BTA in English
1214 GMT 20 Jun 89

["Islamic Religion in Bulgaria"—BTA headline]

[Text] Sofia, June 20 (BTA)—Islamic religion in Bulgaria is second in popularity among the believers after Christianity. The Chief Mufti's Office carries out considerable activity which recently has made it popular among the Islamic clergy in the world, says in an article for today's RABOTNICHESKO DELO Kuncho Kunchev of the Chief Mufti's Office of Muslims in Bulgaria.

The Holy Koran obligates the believers to refrain from violence and bloodshed, points out the article.

Informing of the broad international contacts of the Chief Mufti's Office in Bulgaria the author notes that recently Bulgaria has been visited by renowned Islamic spiritual leaders from the USSR, the Yemen Arab Republic, the People's Democratic Republic of Yemen, Syria, Ghana, Senegal, Lebanon, as well as by the secretary general of the World Islamic League. Attention to the Islamic creed in Bulgaria was shown recently by politicians from the United States and Great Britain, the ambassadors of the Islamic states accredited in Sofia, a number of journalists.

These contacts are a part of what has been done by the Chief Mufti's Office in Bulgaria in its desire for the building of fraternal relations with the Muslims from other Islamic communities and states, writes Kuncho Kunchev.

On their part representatives of the Chief Mufti's Office traditionally visit the holy places in Mecca and Medina. Not long ago Bulgarian representatives took part in a Koran reading competition in Iran and in the international discussions on the hadiths of the Prophet Muhammad in Morocco.

Special cares are taken for the training of imams. Since this year in Bulgaria is operating a school for regional imams. Six youths are studying at the Islamic Theological Institute in Tashkent. Students will be sent also to Islamic institutes in Damascus and Cairo. A document has been signed between the Chief Mufti's Office in Bulgaria and the Spiritual Office of Muslims in Afghanistan for exchange of students and literature.

Further Public Support of Patriotic Unity Noted

AU1806194089

[Editorial Report] Sofia RABOTNICHESKO DELO in Bulgarian on 15 June on page 2, under the rubric "Awareness of Patriotism," publishes further materials in support of patriotic unity: a 700-word article by Andrey Andreev, candidate of historical sciences, entitled "The State Guarantees Equality," on the joint liberation struggle of Bulgarian Christians and Muslims; two readers' letters in support of national unity, totaling 600 words; and a 600-word report "From Yesterday's Mail" that lists numerous messages of patriotic support from workers collectives and groups of citizens.

The 100-word editorial foreword under the rubric's headline recalls the passage in Todor Zhivkov's statement of 29 May that "stresses that no attempts by certain foreign circles will hinder the processes of renewal in Bulgaria." The foreword continues: "The letters, telegrams, and dozens of responses that reach the editorial office everyday categorically support what was said in this document."

In his article, Andreev begins by asserting that "Numerous documents reveal facts about the heroic joint struggle of Bulgarian Christians and Muslims against the Ottoman oppressor in the 18th and 19th centuries," and quotes from the appeal of the provisional Bulgarian Government to the Bulgarian people in 1869: "You too, brothers of the Mohammedan faith, have been deceived and trampled upon.... We regard you as nothing other than brothers, who have lived with us in the same homeland for more than 4 centuries, and together with us endure one and the same torments. We extend our brotherly hand to you." Andreev gives examples of Muslims who fought in and assisted the partisan bands and joined the Bulgarian volunteer forces in the 1877-78 Russo-Turkish War of Liberation. He concludes by noting that "those who continue now to profess the Islamic faith, do this in peace and liberty," and quotes from Article 35 of the Constitution: "...the State guarantees equality for citizens, creating conditions and opportunities for them to exercise their rights and fulfill their obligations. Any preaching of hatred or humiliation of man because of race, nationality, or religion is prohibited and will be punished."

The 250-word letter from 68-year-old Ivo Serdarov, from the villagte of Tserovo in Blagoevgrad Municipality, tells of his family's poverty and sufferings in the past and their current prosperity and opportunities in socialist Bulgaria. Serdarov's letter ends: "I hear on the radio and see on television what is happening in the wide world, and am amazed at the lack of intelligence of those who meddle in our affairs. They throw a lot of dirt at us and want to make us Turks. Even if I am forced, I will not go and live somewhere else. My roots are in this land, with the beautiful view of the Rila and Pirin mountains that I see. I am happy with the life that has given us equal rights with all people in Bulgaria."

In her 350-word letter, Nadezhda Nikolcheva, a teacher at the "Dimitur Polyanov" Uniform Secondary Polytechnic School No 31 in Sofia, states: "It is clear to all of us, both teachers and students, that what has happened recently is an irresponsible and hostile manipulation of the religious and national feelings of certain of our fellow-countrymen." She stresses that it is the duty of all teachers to develop patriotic feelings in their students by having them study the literature of the liberation struggle, especially the works of Khristo Botev. She also describes how "we, together with the students, attended the rallies as a complete group, and together declared our position of full support for the statement by Bulgarian State Council Chairman Todor Zhivkov."

Editorial Criticizes Lack of Discipline in Youth

AU1906204389 Sofia RABOTNICHESKO DELO in Bulgarian 15 Jun 89 p 1

[Editorial: "Real Prerequisite for Success in School and Labor"]

[Text] Only a few days separate us from the end of the school year for secondary and higher schools in our country. These are days filled with intense efforts, filled with tests and examination papers required for the successful completion of the school year. The results of the school year will depend on the self-discipline, strong will, and efforts of the students, and upon the endeavors and exactingness of their teachers and lecturers.

Self-discipline is an essential individual, character trait. It is developed through the training and educational process in social communications and in relations with society. Self-discipline in which children should be trained from an early age within the family, in school, in the pioneer and Komsomol organizations, is of particular importance for the education, development, and self-implementation of the future citizens of a socialist society. It is hardly necessary to cite examples from the period of our national revival to this day, in order to demonstrate the scope and forms of its manifestation both in peaceful, as well as in difficult periods of our history. Every new initiative is based on discipline above all things, on the same kind of discipline that inspired the thoughts and deeds of numerous great personalities, who played an important role in our glorious past.

We recall this truth at the beginning of the "harvest" season which is expecting our students from the uniform secondary polytechnical schools, the technical schools, and higher educational institutions, because of our daily encounters with certain manifestations that are marked by lack of discipline and a missing sense of responsibility. We frequently come across cases of students who are skipping their classes, precisely at a time when their school work has to be evaluated, cases of irregular attendance at lectures and practical exercises, and cases of unjustifiably postponed examinations. The students' behavior in public places, which does not conform with the norms of good behavior, also causes concern. Discipline, a strict observance of public order, and high moral standards of every individual student should be the focus of attention for every students' and teachers' collective, for each family.

Numerous manifestations of this kind, summed up under the common denominator of poor discipline, could be cited. They are the unfortunate results of shortcomings in our total educational work, results of personal examples set by certain parents, which reflect their own attitude toward their social obligations, and their approach toward the brigades set up for assistance to agricultural and industrial enterprises. We should not forget that education in the spirit of discipline and self-discipline is primarily based on personal example. This example embodies the strength and the power of the factor which influences the young people's good and unruly behavior to an equal extent.

At a time like this, when the entire country is engaged in implementing the party's July Concept for comprehensive restructuring, when democratization reveals qualitatively new opportunities of labor, of the young people's professional and intellectual development, their sense of discipline and order, the students' self-discipline and self-exactingness should most brilliantly manifest themselves in the most successful completion of the school year according to schedule. These efforts should be further pursued during the summer by auxiliary work in industrial, agricultural, and forestry enterprises, or by assisting parents working on land lease farms. This is a field in which young students from all schools have the opportunity to show their spirit of enterprise and their talents as highly efficient workers and as Bulgarian patriots. The social organs and organizations, and the Dimitrov Komsomol, in the first place, are urged to guide the young people's energies and efforts in this direction, to encourage their sense of discipline, and to contribute to the students' immediate involvement in socially useful labor, wherever the intellect and physical strength of our Bulgarian youths are needed today.

Now, in preparing for the summer brigades of secondary school and higher educational institutions, the enthusiastic young people should go primarily to those places where the greatest shortage of manpower is acutely felt, and where assistance to the harvest is most urgently needed. Discipline, order, and personal responsibility will be the true criteria for the patriotism of Bulgarian youths. For this reason strict discipline, lively and spontaneous educational work on an individual basis, with each young boy and girl, are required from the school leadership, as well as from Komsomol organs and organizations.

Discipline is the real prerequisite for success in the education and labor efforts of each student and teacher, of all boys and girls.

Editorial Views Civic Discipline, Crime Rates

AU1906201389 Sofia RABOTNICHESKO DELO in Bulgarian 16 Jun 89 p 1

[Editorial: "Civic Responsibility"]

[Excerpts] Discipline has many names—working discipline, contractual, financial, legal, military, party and state discipline, and so forth. In the long run, however, we can sum up all these varieties under the common denominator of civic discipline, meaning every citizen's obligation to strictly observe the laws, public order, and the principles of socialist morality, and equal respect for the rights and interests of the state, of society, of the labor collective, and the individual. Without this kind of discipline it would be impossible to implement the revolutionary changes we have engaged in and to build up Bulgaria as a highly developed and civilized, socialist state.

This is the reason that violations of public order and discipline, and attacks against the health, life, honor, and dignity of our citizens are causes for concern. It is well known, that by the end of 1988 the questions of criminality and protection of public order were urgently raised by the party and discussed in newspapers, the radio, and television on the basis of the information provided by the organs of the Public Prosecutor, the courts, and the Ministry of Internal Affairs. [passage omitted]

Comprehensive measures were adopted in our capital to enhance the role and responsibilities of the municipal people's councils and townships in the purpose of improving vigilance, observing law and order, consolidating discipline, and protecting the rights, interests, and property of our society and of the individual citizens.

Nevertheless, the successes achieved are nothing but an initial step in this direction. A radical change has not been achieved as yet. On the contrary: 2.3 percent more criminal offenses were registered within the first quarter of 1989 as compared with the same period of 1988. We are concerned about the increase in the attempts against socialist property and national economy, as well as against private property. We are also concerned about the great number of traffic accidents resulting from gross violations of traffic regulations by drivers and pedestrians. As a result of all this, dozens of people are being killed and hundreds of them are being injured every month. Profiteering, offenses against foreign exchange regulations, alcoholism, idleness, and other immoral acts which are alien to our society are spreading.

Antisocial acts and crimes committed by minors are by no means diminishing—86 percent of all criminal offenses are committed by people belonging to this age group. Particular attention should be paid to the fact that since the beginning of 1989, 20 cases have occurred in which young people refused to comply with instructions related to the observance of public order. This is a totally unjustifiable situation—and this statement also applies to parents and other citizens who are trying to extenuate and excuse such acts. Cases of gross violations of public order, such as those which occurred in certain areas of our country during the second half of last May, at the instigation of alien forces, as well as acts of refusal to observe the Labor Code regulations are unacceptable and incompatible with our society. [passage omitted]

We are unrelentingly proceeding along the path of broad democratization of society, along the path of constantly expanding and improving the citizens' rights. Nevertheless, democracy without discipline and rights without obligations shall not and cannot exist. Democracy is feasible and can only exist in a country where economic stability, law and order, and discipline prevail. It can only exist where citizens have a highly developed sense of responsibility for their obligations. All these things are not gifts from heaven—we are expected to work for them with professional skill, perseverance, and patriotism. Vigilance and struggle are required for this purpose.

Human Rights Committee Discusses Death Penalty

AU2006152489 Sofia BTA in English 1348 GMT 20 Jun 89

["The Death Penalty: Pros and Cons"—BTA headline]

[Text] Sofia, June 20 (BTA)—The Bulgarian Human Rights Committee today organised an in-depth discussion with the participation of public figures, jurists, psychologists, psychiatrists and sociologists on problems concerning the death penalty. They tried hard to answer the widest possible range of social and professional questions arising from the introduction of this sanction in a historical aspect and the possible arguments in its favour now, as well as the factors allowing or necessitating its abolition. Does the administration of harsher punishments help reduce the overall incidence of crime, especially of offences with increased amount of social harm or seriousness? It is the consequences which are mitigated but what is the community's role in eliminating the causes? Is there an alternative or alternatives, given that the serving of a 10-year term of imprisonment already gravely affects the convict's person and his re-integration in society is exceedingly difficult?

The answers were considerably fewer than the questions. Still, to sum it up, many of the participants favour an abolition of capital punishment and suggest the following action to this end: first, declaration of a moratorium on executions; secondly, dramatic reduction in the number of capital offences; thirdly, the abolition of the death penalty itself.

The Human Rights Committee is only opening a discussion on the matter and intends to take an active part in the constitutional reform and in drafting other bills relevant to the matter.

Tariff, Nontariff Barriers on Imports Examined

AU1306142689 Sofia OTECHESTVEN FRONT in Bulgarian 12 Jun 89 p 5

[Article by Docent Ivan Belchev, candidate of economic sciences: "Trade Is a Two-Way Street"]

[Text] During the negotiations to settle Bulgaria's trade and economic relations with the Common Market, the problem of the quantitative restrictions imposed by the community on Bulgarian exports is emerging as one of the most frequently discussed topics.

Since the EEC's formation, Bulgaria's trade with the member countries has been conducted under conditions of a developed market protectionism that surrounds the community with two main types of barriers, namely tariff and nontariff barriers. The tariff (customs) barriers are applied on a differential basis only against nonmember countries, whereas duties on trade among the member countries were abolished in 1968.

The nontariff barriers are numerous and varied in nature, and were created in order to protect internal producers and the local market from foreign competition. According to GATT assessments, the number of possible nontariff restrictions has reached about 2,000, of which about 600 are applied in international practice. Within the EEC, a large proportion of these restrictions still fall within the competence of the individual member countries, but after the unified internal market comes into being in 1992 the national laws, regulations, and standards in the fields of the economy and trade will be unified, and this will include the regulations concerning nontariff restrictions on imports from their countries.

At present all the nontariff restrictions imposed by the community directly concern Bulgarian exports. In the first place, these are quantitative restrictions. They are published in a special regulation document relating to imports from "countries with state trade," i.e. the socialist countries. In Bulgaria's case, these restrictions cover about 2,000 individual commodity items; for about one-quarter of these, quotas have been introduced for our country, while for the remaining three-quarters restrictions exist in individual countries, with no quota for Bulgaria, and this effectively means an import ban. Quantitative restrictions are introduced out of considerations regarding protecting local producers and the market from excessively high imports of goods considered "sensitive" by any of the member states.

Our country is making no objection during the talks to the practice of protecting the national economy, because this practice is applied in various forms by almost all countries in the world. However, objections do arise to this practice when it is applied not against all importers and all countries, and not against a commodity that poses a threat to the market, but only against Bulgaria or the socialist countries. Objections also arise when the practice is applied in the case of Bulgarian goods that do not and cannot pose a threat to local producers or the EEC market.

A number of restrictions have been imposed on Bulgaria for goods that have never been produced in our country and for whose production no conditions exist (such as coffee, pineapples, citrus fruits, and so on). This is why we are trying to eliminate all the various discriminatory features in future relations with the EEC. First, one must eliminate all the quantitative restrictions on all goods that we do not export at all to the community. Second, it is appropriate to liberalize the conditions for all goods, the quotas for which we have not fully used in recent years. According to the EEC normative documents (for example, the act on the accession of Spain and Portugal), any commodity that during the last 2 years has been imported in amounts of less than 90 percent of the quota is regarded as nonsensitive as far as the quotas are concerned. In Bulgaria's case, this covers almost all the quotas. Objective analysis by competent specialists shows that our country has every reason to insist on complete liberalization of its exports to the EEC within a certain time limit. In the event of there being any points for discussion, these can be resolved in a spirit of realism and nondiscrimination, without excessive application of artificial selectivity against the socialist countries from political or other considerations. What is more, in recent years Bulgaria has always had a substantial deficit in its trade with the EEC, which is largely a result of the community's restrictive trade practices.

However, as well as quantitative restrictions, the EEC also applies a number of nontariff restrictions against Bulgaria. These, for example, include the "antidumping procedures," which are introduced if Bulgarian companies sell at prices lower than the basic market prices for a given commodity. Since 1968, the EEC countries have begun to unify their antidumping legislation. Antidumping procedures are applied for Bulgarian chemical products, electric motors, and other articles.

Another form of nontariff restrictions applied against Bulgaria are the "agreements on voluntary self-limitation of imports" into the EEC, under the pretext that they cause disorganization of the market. Numerous restrictions that greatly effect Bulgarian exports are also applied under the community's uniform agricultural policy.

It is evident that the entire system of trade with the EEC is built upon highly protectionist foundations. The signing of the agreement between Bulgaria and the EEC is aimed at creating normal trade-political conditions and a normative basis for good future trade and economic relations, based on equal rights, mutual trust, consultation, and mutual benefit, and free of discrimination,

As the processes of our economic reform evolve, conditions will become increasingly better for the production of competitive, high-quality goods enjoying a high demand in the international market. The opening up of the Bulgarian economy to the West, the development of joint production activities with foreign companies in Bulgaria and abroad, increases in the inflow of investments, and further improvements in the entire legislative and regulatory system, in accordance with the postulates of the July 1987 Plenum of the Central Committee of the Bulgarian Communist Party, will increasingly create conditions for enhancing the prestige of Bulgarian goods and the Bulgarian economy as a whole on an international scale.

Bulgarian, CEMA Talks With EEC Discussed
AU3005150689

[Editorial Report] Sofia OTECHESTVEN FRONT in Bulgarian on 29 May on page 1 carries, under the heading "New Trade Routes Across Open Borders," a 600-word announcement on the formation of a group of experts charged with the task of providing information on the current Bulgarian-EEC and CEMA-EEC negotiations. The announcement is followed on pages 1 through 4 by a 3,000-word report under the same heading, prepared by Mariya Netsova, Lyubomir Koralov, and Kalin Todorov, on a discussion on forthcoming CEMA-EEC negotiations between the "editorial board" and three experts: Docent Ivan Belchev, candidate of economic sciences, and Nikolay Stefanov, both chief economists at the Ministry of Foreign Economic Relations; and Dencho Georgiev, senior scientific worker, from the State and Legal Sciences Institute of the Bulgarian Academy of Sciences.

The announcement surveys the possible impact of the formation of "a super-Common Market" of 320 million consumers, which "will exert a great influence not only on the economic and political realities of the Old Continent, but also on the Tokyo-Washington axis and throughout the whole world." It is pointed out that this idea is already being realized in practice by the preparations toward creating a unified Common Market in 1992, which form the background for the opening in Brussels on 29 May of the second round of the official Bulgarian-EEC talks on an agreement on trade and commercial and economic cooperation. The announcement continues: "With the aim of providing our readers with objective, competent, and timely information on the main economic and integration processes in Europe, OTECHESTVEN FRONT is forming a social board attached to its editorial office, in which prominent scientific workers and political and trade figures will take part, whose work is directly connected with implementing, maintaining, and developing Bulgarian-EEC and CEMA-EEC contacts, and with studying topical economic problems in Western Europe."

In the following report, Belchev first reviews the course of the negotiations between CEMA and the EEC from June 1985 until the opening of the official CEMA-EEC negotiations. Stefanov then surveys Bulgaria's trade dealings with the EEC since the Treaty of Rome, pointing out that, although no official relations have existed, "as far back as the beginning of the seventies we established working contacts with the EEC Commission, which resulted in the signing of a number of sector agreements that grouped together Bulgaria's trade in textile products, ferrous metals, cattle, and meat." He emphasizes the importance for Bulgaria of reaching an official trade agreement with the EEC, which annually accounts for 60-70 percent of Bulgaria's trade with the developed capitalist countries. Stefanov then states the two main problems: first, "the chronic negative balance of our foreign trade with the EEC states, which amounted to over $5 billion during the 1981-88 period"; and second, "the unfavorable structure of Bulgarian exports, in which the proportion of machinery and equipment is small, with raw and other materials predominating."

Georgiev points out that from 1974 to the present Bulgaria's trade with the EEC countries has been regulated by individual trade agreements with each EEC country, because the EEC refused to negotiate with CEMA as a body.

Regarding the forthcoming Bulgarian-EEC talks, Georgiev explains that Bulgaria's chief aim is to eliminate the quantitative restrictions on her trade with EEC countries before the unified Common Market begins to operate in 1992. Belchev outlines the development of protectionist trade policies in Western Europe following World War II, and comments that Bulgaria's objection is not against EEC protectionism as such, but against the fact that "the protectionist barriers that are being raised are not the same for all third countries," and are especially unfavorable for the socialist countries.

Answering the question of what benefits the EEC can derive from cooperation with CEMA and Bulgaria in particular, Georgiev considers that "with the market orientation of our economy a new market is appearing, which is not without interest for them." However, he points out that the Bulgarian consumer's purchasing power must be greatly increased in order to really arouse EEC interest.

Belchev comments later that in order to gain proper benefit from easier trading conditions with the EEC, "we must acknowledge to a greater extent the effect of the law of value, market forces, economic conditions, and so on," which require a further radical reorganization and improvement of Bulgaria's economy and a liberalization of trade relations, especially in connection with Bulgaria's aspiration to join the General Agreement on Tariffs and Trade. He adds that "our socialist integration must not be regarded as a confrontation to the West European integration. It is a parallel process of cooperation with Western firms and also promotes the successful development of our economy."

In answer to the final editors' question, on how Bulgaria is preparing to face the challenge of the unified Common Market in 1992, Stefanov admits that "our future agreement with the EEC will not solve our internal problems, but, through it and through joining GATT in the future, we are striving to create optimum trade and political relations for our goods producers." Belchev points out that "many third countries, like Japan, Austria, Switzerland, and the United States, are beginning to take steps to adapt in good time to the new conditions that will arise in 1992." He stresses that within the EEC after 1992 "the intensified internal competition will create greater risk for many internal producers, which will face a competitive struggle within the community, and every third producer who comes from outside the EEC will present a threat to them." He warns that "the new requirements for quality and competitiveness in the EEC will form part of the barriers that will arise in Europe after 1992 and may turn it more into a fortress than into a partner." However, in Belchev's view, "we can gain benefits in partnership with companies that are seeking a foreign market."

Citizens' Queries on Bank Savings Answered

AU2006182989 Sofia Domestic Service in Bulgarian 1730 GMT 20 Jun 89

[Text] The Bulgarian Telegraph Agency [BTA] has been receiving letters from citizens interested in finding out the rights and obligations of the State Savings Bank.

It was stated to a BTA representative that the State Savings Bank accepts and holds in safekeeping money deposits upon demand, term deposits, and savings of citizens in leva and foreign currency, and makes noncash payments.

Money invested, deposits, and valuables entrusted to the safekeeping of the State Savings Bank are guaranteed by the state.

The State Savings Bank guarantees to observe banking secrecy regarding deposits. Officials who fail to observe banking secrecy are subject to penal prosecution.

Bulgarian citizens who have departed for abroad may retain their deposits at the State Savings Bank for an unlimited period. They may use the money saved in their accounts to meet expenditures in Bulgaria [passage indistinct]. The same rights are possessed by citizens who, after leaving Bulgaria, have taken the citizenship of other countries.

More Committees of Sociopolitical Forces Formed

AU1806183389

[Editorial Report] Sofia RABOTNICHESKO DELO in Bulgarian on 15 June on page 2 carries correspondent's reports totaling 500 words on the holding of constituent meetings in Sofia, Lovech, and Tolbukhin on 14 June to set up committees of political and social forces under the Fatherland Front in the respective municipalities. Sofia OTECHESTVEN FRONT in Bulgarian on 15 June carries on pages 1 and 3 an extended 1,100-word report by Damyan Rangelov, entitled "Today We Are Making a Decisive Step on the Road to Democracy," on a meeting held in Vratsa on 13 June to form a municipal committee of political and social forces.

Dora Chichkova's report from Sofia describes the meeting held "by 16 organizations, societies, and movements" to form the municipal committee of political and social forces in Sofia's Vrubnitsa Municipality. Todor Spasov, chairman of the municipal committee of fighters against fascism and capitalism, was chosen "by general agreement" as the first chairman.

Correspondent Nedyalko Atanasov's report from Lovech states that the committee there was set up at a meeting of "representatives of 34 organizations, movements, and societies," who elected as the first chairman Lazar Donchev, first secretary of the Lovech Municipal BCP (Bulgarian Communist Party) Committee.

According to correspondent Nikolay Zhelev's dispatch from Tolbukhin, the constituent meeting held to set up the Tolbukhin committee "unanimously elected Nikola Dobrev, chairman of the municipal Fatherland Front committee, as the first chairman of the committee."

Rangelov's report in OTECHESTVEN FRONT of 15 June describes in detail the proceedings of the constituent meeting, held in Vratsa at 1700 hours on 13 June in the hall of the Vratsa Municipal BCP Committee building, to form a municipal committee of social and political forces. He states that about 500 people attended, "representatives of 29 political and social forces, movements, societies, and voluntary associations in the municipality." In reporting the discussion of the aims of the new committee, which included supporting "the practical implementation of the party's July strategy for restructuring our society under conditions of self-management," Rangelov quotes a statement by Dimitur Kamenov, representing the Bulgarian National Agrarian Union (BZNS): "The backbone of our committee will consist of Communists and BZNS members. (Voice from hall: 'And all other social forces!') Our previous experience confirms this.... In the future we will deal with many tasks, but the chief content, the heart of our activity, must be to elevate the moral-political union and national unity of the workers in the municipality."

Rangelov reports that, after further discussion of local problems that the committee should concern itself with, "the meeting then proceeded to establish the committee of political and social forces. (Voting took place. None of those present voted against or abstained! Complete unanimity.)"

Rangelov concludes by reporting that at the first meeting of the newly constituted committee, held immediately after the public meeting, Angel Vushkov, first secretary of the Vratsa Municipal BCP Committee, was elected to serve as the first chairman for a period of 6 months.

Sociopolitical Committees 'To Unite' Country

AU1506193889 Sofia Domestic Service in Bulgarian 1900 GMT 15 Jun 89

[Text] Representatives of sociopolitical and mass organizations, creative and professional unions, and amateur societies, took part in the constituent meetings of the public committee of the sociopolitical forces in Blagoevgrad, Gabrovo, Lovech, Shumen, and Tolbukhin. Through their participation they will facilitate the comprehensive socioeconomic and cultural development of the municipalities and will contribute to further unite the Bulgarian nation and educating the young population. The newly formed organizations will defend the interests and needs of the citizens and will participate in solving issues related to improving the standard of living in the municipalities, protecting the environment, and improving urbanization and transportation services.

Sociopolitical Committee Founded in Plovdiv

AU1606205789 Sofia Domestic Service in Bulgarian 1930 GMT 16 Jun 89

[Text] A Municipal Committee of Political and Social Forces under the Fatherland Front was established in Plovdiv today.

Georgi Varlov, first secretary of the Bulgarian Communist Party [BCP] Plovdiv Municipal Committee, was elected first chairman of the committee. In fully observing the democratic principles, the committee shall work for the further unification of the Bulgarian nation. It is expected to ensure the necessary coordination and unity of action for a prompt and competent solution of problems, especially in the economic and intellectual spheres.

Jakes, Other Leaders Attend Women's Congress

LD1606160789 Prague CTK in English
1351 GMT 16 Jun 89

[Text] Prague June 16 (CTK)—The Czechoslovak Women's Union started its congress here today under the slogan: "For effective share of the Czechoslovak Women's Union in the restructuring and democratization of society", in the presence of a delegation of the Czechoslovak Communist Party Central Committee and the National Front Central Committee headed by party General Secretary and National Front Chairman Milos Jakes.

Also present at the congress, attended by some 1,000 delegates, are 65 foreign delegations from 50 countries. The delegation of the women's International Democatic Federation is headed by its president Freda Brown.

The participants in the congress, representing almost one million members of the union, will during the two-day event evaluate the organization's activity in the past five years and discuss its tasks in the restructuring and democratization in Czechoslovakia, deepening equal position of women, strengthening role of the family, formation of the young generation and its preparation for life, and other urgent problems of women's movement.

Chairwoman of the Czechoslovak Women's Union Marie Kabrhelova said in a report on the union's activity that the restructuring and democratization is opening up new possibilities for Czechoslovak women in the strengthening of their equality and improvement of the conditions for their self-assertion. In this connection she pointed out some problems linked to the working conditions of women at some work places with monotonous work and insufficient adjustment of machines and equipment to the needs of women. She said that no progress has been achieved in women's participation in higher spheres of management, especially in the economy.

The report focused on women's work in representative and legislative bodies, and the role of the Women's Union in the commission for preparation of a new Czechoslovak constitution. The document pointed to a great number of women operating in representative and legislative bodies, which amounts to 31.7 per cent at present. The chairwoman stressed the need for closer cooperation with national committees which should strive mainly to ensure fluent supplies, improve health care and conditions for education, create prerequisites for more profound care for elderly people, and improve the environment.

"Czechoslovakia ranks among the states with the most developed state's care for the family. Material welfare is accompanied with a variety of benefits and services of social assistance to families, children, mothers", Marie Kabrhelova said. She added that the Czechoslovak Women's Union is interested in elaborating a thorough concept of the state family policy which should involve other forms of the state's assistance to families, especially the young couples. She stressed the union's interest in reducing the number of divorces and unwanted pregnancies, and improving the upbringing of chldren and youth. In this connection she pointed to the necessity of removing barriers preventing mothers with small children from being employed in part-time jobs.

The report also dealt with international aspects of the Czechoslovak Women's Union's activities. Czechoslovak women maintain good relations with newly established international women's organizations and peace movements. They also find possibilities of cooperation with religious women's groups, women's organizations of various political parties, etc., the document said.

Jakes Addresses Women's Congress

AU2006163389 Prague RUDE PRAVO in Czech
17 Jun 89 p 3

[Speech by Milos Jakes, general secretary of the Czechoslovak Communist Party Central Committee, at the Congress of the Czechoslovak Women's Union in Prague on 16 June: "Women's Needs and Problems Have To Be Better Known"]

[Text] Esteemed comrades, permit me to cordially greet all of you—the delegates to and the guests of the congress of the Czechoslovak Women's Union, as well as the dear representatives from abroad—on behalf of the Central Committee of the Czechoslovak Communist Party [CPCZ], the Central Committee of the National Front, the CSSR president, and the federal government, on behalf of members of the delegation present here, as well as on my own behalf. Together with you, we greet all women throughout our socialist fatherland.

We gladly accepted the invitation to attend the supreme deliberations of the Czechoslovak Women's Union, an organization that stands for the interests and needs of more than a half of the population of our state, in which hundreds of thousands of women find self-realization and a means of social commitment, they take part in the development of cities and villages, districts and regions, the two republics, of the whole of our country. As an important and firm component of the National Front, the Czechoslovak Women's Union, by virtue of its contribution to the cause of socialism and peace, has won a recognized place in our society and in the international women's peace and democratic movement. From this lectern I want to thank the Czechoslovak women and their organization for everything they contribute to the prosperity of our country, to the happy life of families and children, to the strengthening of peace and friendship among nations. We appreciate the fact that the Czechoslovak Women's Union regards the policy of the CPCZ and the National Front as its own affair and takes an active part in its implementation.

The highest party and state bodies followed the preparations for your congress with great interest, beginning with primary organizations and ending with the congresses of the republics. We welcome the fact that, together with the positive balance sheet of the results achieved, a somewhat critical tone also resounded at these congresses regarding the activity of your organization, and the fact that more efficient forms and methods of work were sought, that there was a frank discussion about what preoccupies our entire society today—how women can contribute even more effectively to the process of restructuring and democratization. It has been reaffirmed that the overwhelming majority of women connect their aspirations and hopes with the further socialist development of our fatherland, of the entire socialist society, with the ensuring of progress and peace in the world.

As Comrade Kabrhelova noted in her opening report, and as was said in the debate, the course of your congress to date is the real picture of the life of women and of the multifaceted activity of their organization. You are pointing out the need to intensify the union's internal life, to increase both the activity of your organization and its influence on an even greater number of women. You are right in stressing that the present time requires that your union get to know even better the needs and problems of women and make fuller use of the broad opportunities of the womens' movement in our political system. You wish to display even greater initiative vis-a-vis the national committees and state and economic bodies with respect to proposals for solving women's problems, the participation in the preparation of a concept of the state family policy, the amendment of the law on the family, the principles of the law on state policy concerning care for children and the youth, and other conceptual issues and decisions which directly concern the life and work of women. This is a necessary and very useful activity from the social point of view. In this endeavor of yours you can continue to count on the full support of the CPCZ, the entire National Front, and the state bodies.

Comrades, at your congress you are justifiably talking about the revolutionary nature of the present period, about its demands on every one of us which arise from the complexity and, in many respects, from the novelty of the tasks of the process of economic and social restructuring. Their successful solution is contingent on fundamental changes in approaches and the style and methods of work in all sectors, in order to make more comprehensive use of the advantages of socialism, to better satisfy the needs of society, and in order to develop man's personality. This requires the creation of a moral and political atmosphere and economic, social, and legal conditions in which people will think and behave like responsible managers in their enterprises and places throughout the state. The majority of our citizens, and this is also attested to by the course of your congress, are convinced of the need for economic and social restructuring, and they support it. This provides the certainty that the work commenced will be successful.

One of the weightiest tasks of the present period is the restructuring of the economic mechanism which, together with an extensive application of science and the realization of structural changes, constitutes the main prerequisite for accelerating our country's social and economic development and solving the existing problems, many of which directly concern the conditions of the work and life of women. It has been stressed on more than one occasion that the economy is the main battlefield on which the fundamental conditions for the overall successful development of society are being created. Without stepping up the performance of the national economy by means of employing new principles of planning and management, without making extensive use of scientific-technical progress—as was recently discussed by the CPCZ Central Committee—it is impossible to achieve marked results in the growth of the national income, and thus also in the resources for further development, for a strong social policy, and for a growth in the people's standard of living. Therefore, it is first necessary to produce—and produce well—in order to be able to distribute.

Women are known for their conscientiousness and selflessness and for their understanding of the needs of society and their emotional attitude toward their workplaces; they are active in all sectors of social life. They constitute a great social force, and without the active participation and motivation of this force it would be practically impossible to cope with the requirements of the present day. Among them there are many who hold state awards and the honorary titles of Heroine of Socialist Labor. This attests to their active approach to the fulfillment of tasks and the great appreciation for their work on the part of society. We have a number of branches of production which overwhelmingly depend on the work of women. Without their selflessness, today we could not imagine the functioning of services, trade, health services, education, and other sectors that are important for the life of citizens and the entire society. It is precisely women who have the moral right to demand respect for honest work.

The reason why we are carrying out restructuring is to strengthen socialism, increase the dynamics of the development of our society, and make people's work and life easier. Therefore, it is in the interest of the women themselves to energetically demand that their workplaces be well-prepared for operating under the new conditions on the basis of economic accountability and self-financing, that management and the organization of work be improved, and that shortcomings in work discipline and order be eliminated. They can do much to improve the quality of production and reduce costs, to assert justice in remuneration, and to develop healthy competition and increase responsibility for the fulfillment of tasks.

Next year we will celebrate the 45th anniversary of the culmination of the national liberation struggle of our people and Czechoslovakia's liberation by the Soviet

Army. We have resolved a number of weighty tasks in the period of the construction of socialism. The position of the working man has changed from the very foundations, there is no unemployment in our country, the broad strata of the people enjoy a fairly high standard of living, and an extensive social security system for citizens has been created. Naturally, we also see the problems that have to be solved. We are convinced that the 45th anniversary of the liberation, as is already the tradition in our country, will become the impetus for developing work and social activity and initiative. Together with fulfilling social and economic tasks, they must also concentrate on improving the appearance of cities and villages, the environment, and the solution of ecological problems which are increasingly acute.

At your congress, too, it resounds strongly that the success of economic and social restructuring is contingent on the activation of creative forces, the broad application of wisdom and energy by all working people. This is the main source of our advancement. The process of deepening socialist democracy leads to people beginning to ponder matters that concern all of us more profoundly, and to their openly expressing their views and standpoints. This is correct and necessary. We are in favor of clashes of and the arrangement of opinions, if they serve to find solutions and cope with the new tasks we are facing, to unify the forces of the party and society for constructive cooperation in the interest of consolidating the values of socialism.

However, what is one to discuss with those people who depict our citizens as an unfree mass manipulated against their will by the Communist Party and the socialist state, with people who regard social organizations as incapable of defending the rights and interests of their members? According to them, it seems that everything in this country that is in harmony with our Constitution and the laws, with the aspirations and objectives of the overwhelming majority of citizens, does not merit trust. And, on the contrary, only what comes into being outside the political system and leads to the destruction of socialist values has a monopoly on the truth and the right to determine the tone of social dialogue. Constructive dialogue can be conducted only with people who have an elementary respect for the results of the work of other people, who are willing to respect the opinion and decisions of the majority, and not foist the views of individuals upon others in an ultimatum-like way.

We regard the National Front as a tried-and-tested base for political pluralism, the development of socialist democracy, the natural expression of the multifaceted interests and needs of social groups, collectives, and individuals. The five political parties; 16 large social, cooperative, and special-interest organizations; six special-interest unions; and four nationality unions have some 270,000 primary branches at worksites and in the cities and villages. This is a great force. We appreciate the fact that, in accordance with the proposals on the activation of the National Front, its participation is gradually increasing in the drafting of various decisions, that experience is accumulating from joint talks with the governments, national committees, and state and economic bodies and organizations on the solution of problems. All this is the consequence of the involvement of an ever increasing number of people in the management and administration of society, something that also strengthens the authority of the National Front. We are pleased that the Czechoslovak Women's Union is also taking an active part in this process, and it is necessary for its voice to resound increasingly strongly in this respect. This will certainly also be the voice of this congress. We esteem your committed support for the proclamation of the CPCZ Central Committee Presidium on the 41st Anniversary of Victorious February, which unites efforts to resolve urgent tasks prior to the 18th CPCZ Congress. The important thing is to come to the congress with the best possible results.

Esteemed comrades, the CPCZ, the National Front, and the socialist state have always seen to it that conditions are created for women to be able to devote themselves to their maternal mission and, at the same time, also assert themselves in their profession and social activity. The standing of women has fundamentally changed in the years of the construction of socialism, much has been done for their work and social assertion, to improve their qualifications, in housing construction, for the socioeconomic security of families, and in general care for mother and child.

Of course, that does not mean that we have a reason for complacency. There is much to improve in women's working and social conditions, and in making their household chores easier. We know that problems on the domestic market and problems connected with the flexibility and availability of services, transportation to and from work, that is everything that actually influences a person's life every day, are depriving precisely women of the time they could devote to the family, culture, and their interests.

The highest party and state bodies are paying great attention to the solution of those issues. The government policy statement addressed them, and they were also discussed with great emphasis and urgency at the 14th CPCZ Central Committee session. However, making cheap promises in that connection would not be responsible. One has to say openly that not everything can be changed immediately. Precisely because of that, achieving a fundamental change is connected with a consistent implementation of the economic reform and the restructuring of the national economy which would make it possible to free desirable resources and manpower for the development of the tertiary sphere and the improvement of the quality of its work. However, this cannot be grounds for marking time anywhere, for excusing one's own mistakes and shortcomings. Your experience also affirms that in many cases one does not really need any great investments to improve things, but rather an understanding of people's needs, making use of all local resources and available untapped potential, and the good organization of work. We are orienting the attention of the pertinent ministries, state enterprises, cooperatives, as well as the citizens' individual activity toward this. The national committees must do more to better meet the needs of the people. The appropriate legislative, economic, financial, and other prerequisites are being created for the national committees to be able to fulfill their self-management role, for the citizens to be able to decide for themselves on issues that concern them.

At the 13th CPCZ Central Committee session we paid great attention to our education which plays an indispensable role in the all-around preparation of young people for life and work. At the same time, we also stressed the importance of the family for the emotional and moral education of children. It has already been mentioned here that parents are the first models for the behavior and conduct of a little citizen, from the moment he begins to perceive the world around him. Both—the father and the mother—are indispensable for the child, and both have a function in his education. However, there is no doubt that it is the mother who has the determining influence on molding the child's life in his first years.

The majority of mothers of children up to 3 years of age want to stay home with them and many of them later look for a part-time or flexible-time job near where they live. Some women do not even take all their maternity leave and prefer to make use of or improve their qualifications. Again, other women want to devote themselves exclusively to the family and want to stay home with the children as long as possible. Our state provides mothers with this choice. However, we are aware that, because of material and social conditions, this choice is not always voluntary. In this issue, too, it would not be responsible to promise too much. Despite this, in the draft of the Ninth 5-Year Plan the government—with the aim of strengthening the social importance of children's education—assesses the possibility of increasing maternity benefits and the maternity allowance and bonus when a baby is born. This will depend on created resources. The possibility of introducing additional leave—5 working days a year—for mothers with three or more children, and mothers of children with seriously impaired health is under consideration. Measures which will positively affect the living conditions of working mothers in other ways are being specified within the framework of the draft of the long-term prognosis for society's development. They concern the improvement of the population's state of health, the environment in which it lives, the preparations for married life and parenthood, and so on.

In connection with stressing the importance of orderly and solid families, tendencies sometimes arise that ascribe their decreasing stability, the shortcomings in children's emotional education, and some negative phenomena in their behavior to the employment of women, as if the causes of this were not much deeper than would seem at first glance. It is understandable that the weakening family ties and the great number of divorces are causing concern to all of us. But those who see the solution to this problem in the women's mass return to the household must openly be told that they can hardly be successful with such proposals today. Economic independence, education, making use of qualifications, knowledge, and skills are the crucial prerequisites for women's equality.

However, what deserves criticism, and I would also say the self-criticism of all of us who work in leading functions, are the—in places—slow promotions of women in jobs, even though they posses the necessary qualifications and produce exemplary work, as well as the difference in the remuneration of men and women for the same quantity, quality, and type of work done. Not so long ago, the CPCZ Central Committee Secretariat discussed a report checking the involvement of women in party, state, economic, and social functions, in the preparation of which the Czechoslovak Women's Union took an active part. It shows that the situation in electable voluntary functions is favorable and that the upward trend is being maintained. In executive management functions, representation at the lower level is good, and the higher up, the rarer the ranking personnel. Training and promoting a larger number of women to management functions is an important task of the party, state, economic, and social bodies and organizations at all levels and in all territorial entities. And we can only welcome the fact that the Czechoslovak Women's Union also wishes to play a more active and forceful role.

Esteemed comrades, today you are consulting on the orientation of the work of the content of the Czechoslovak Women's Union for the coming period. We appreciate the fact that you are proceeding from the national tasks and at the same time seeking specific approaches which correspond to the needs and interests of members. We are convinced that, given the representative composition of the delegates, women will receive your decisions well. All the more so since you have been paying such great attention to how—in the process of restructuring and democratization—to strengthen all aspects of women's equality, and achieve a more perfect harmony between their work, parenthood, and their civic role. Your effort, which you want to devote to increasing the commitment of women in society, improving their working and living conditions, and the preparation of the young generation for life, deserves support.

Naturally, among the main directions of your activities you also include the entire sphere of international activity, where the work of the Czechoslovak Women's Union also deserves great recognition. We welcome your exchange of experience with sister organizations in the Soviet Union and the other socialist countries, something that is of particular importance in the current period of creatively seeking paths for the further development of socialism. We hold in high esteem the support that the Czechoslovak women and your organization give to the peaceful foreign policy of the CPCZ, the National Front, and the socialist state.

Who else but women, the givers of life and the selfless joint creators of the destiny of their nations, can better appreciate the value of peace and find a common language among themselves throughout the world. We appreciate the fact that these mutual contacts result in the women's movement's common course aimed at averting the nuclear threat, and at understanding and friendship among nations. I can assure you delegates to the congress and foreign guests that Czechoslovakia, together with the Soviet Union, the other socialist states, and peace-loving forces, will continue to take an active part in asserting the new political thinking in relations among states, and strive for disarmament and the establishing of a reliable mechanism of international security, to strengthen trust among nations and for peaceful cooperation in the world.

In conclusion, permit me to thank once more the functionaries and members of the Czechoslovak Women's Union for the results achieved in the past 5 years, for their active contribution to the prosperity of our fatherland, and congratulate all those who received high state awards for their long meritorious work in the ranks of your women's organization on the occasion of the congress. I wish you a successful conclusion of your congress' deliberations and much luck in translating its conclusions into life. I wish all Czechoslovak women family contentment, much success in work, personal happiness, and good health.

Stepan Speech at CPCZ Central Committee Session

AU2006144389 Prague RUDE PRAVO in Czech
16 Jun 89 p 4

[Speech by Miroslav Stepan, member of the CPCZ Central Committee Presidium and leading secretary of the Prague CPCZ City Committee, at the 14th CPCZ Central Committee session on 14 June]

[Text] On the whole, the social and political situation in Prague has been stabilized. It could be said that, turning away from the struggle "against something," the Communists have managed to gradually concentrate their attention on the struggle "for something." This is a necessary turnabout which is being gradually achieved by means of the provision for and discussion of a positive program for the development of the city. For example, this involves the large-scale plan for the socioeconomic development of Prague up to the year 2005, and so on.

The open policy reveals a number of problems concerning socioeconomic development or reopens questions and problems that were already practically closed. This involves, for instance, the tunnel under Strahov and the communication system linked to it, the preservation and refurbishment of the historical part of Mala Strana, specifically the Janska area and Kampa island, or the discussion about the necessity or lack of necessity of a television tower in Prague, new phenomena in opinions among young people, the discussions in creative and artistic associations, in universities, factories, and so on. In essence, this involves phenomena linked with the process of the increasing flow of public information. This, however, necessarily also places new demands on the militancy of the party, on its courage, and capability to influence these processes. Before us stands the task of separating rational proposals and constructive criticism from political speculation or even from the attempt to act on contemporary development in a parasitic way.

Undoubtedly, the decisive standpoint of the party, the majority of upstanding Prague citizens confronted by attempts by various structures to destabilize society, as well as the rallies of hundreds of thousands of citizens of Prague during celebrations of the 41st anniversary of February in the Old Town Square and May Day in Wenceslas Square, where they manifested their support for restructuring and democratization, contributed on the whole to the positive turnabout in the social and political atmosphere of the capital city.

Also obvious is the growth of the public's interest in what we are doing in the party Central Committee, which problems and issues we are resolving, what the 18th Congress will debate, which questions are fundamental and which are of secondary importance. The public's increasing interest in political activity right at this time is extraordinarily important and we welcome it. In our understanding, the workforce sees today's situation realistically. They recognize that socialism in our country has achieved many results and they do not want to lose anything from the standard of living which they have attained. Meanwhile, we have not come to terms with many complicated issues, from the thorough assertion of social justice, founded on an appreciation of the specific contribution of the individual, through the relatively low performance of the national economy or the accumulated problems of the environment with all their harmful consequences, right up to the automatic provision of social benefits which are not always urgently made conditional on the honest labor of each person. Not all party organizations have fully understood the change in the external conditions, which put our results and also the problems and entire party labor into new contexts.

The workers, technicians, and experienced economic management in enterprises are demanding solutions and deeds. Unfortunately, they are also not always looking for them among themselves. I am of the opinion that the upcoming annual members' meetings of the party and the conferences should be the significant place where policy in the fulfillment of the main tasks should be united.

The difficulties of our economy are, first and foremost, also caused by a certain wait-and-see attitude and by the fact that rigidity has not been overcome, by an unwillingness to respect the objectivity of the laws of the world economy and, somewhere, in certain workplaces, by an attempt at so-called stability under the guise of caution. It is impossible to do anything other than insist on the intensification and guaranteeing of everything that was said, that was stipulated, and wage a struggle with those who would like, as they say, to sell "old wares" under a new name.

We are endeavoring to ensure that it is clear everywhere that the party and economic center will come out in defense of the interest of the working collectives which want to come to grips with new issues, which want to change their production program for the benefit of the demanded quality production, and which are not afraid of structural changes. Of course, it is necessary to create conditions for the implementation of the capabilities of the workers, technicians, and managerial staff.

In Prague we have enough examples of the operation of unfavorable internal tendencies in the course of restructuring—from structural changes and the modernization and reconstruction of the manufacturing technology base of Prague industry, which continue to be delayed, up to a certain passivity of founders toward new state enterprises and the often overt aversion to breaking up the collectives of abolished workplaces of various directorates, and so on. The Presidium of the party City Committee is of the opinion that we should call upon those Communists who—to put it figuratively—are putting their foot on the brakes in our tasks to accept party responsibility.

Discussions with Communists in primary organizations and debate on the Proclamation of the CPCZ Central Committee Presidium on the 41st anniversary of Victorious February confirm that the overwhelming majority of Communists support restructuring and understand it as the only possibility of a way forward. However, the great passiveness of part of the membership base of the party, which in the primary organizations necessarily lowers their capability for action, authority, and the efficiency of their political operation, also manifests itself.

So far, we have not succeeded in asserting restructuring and democratization in the party itself. Among a number of comrades, and even also in some organs, the attitude lingers that the main task is not to hold useless discussions, it is to wait for the set party line and not fall out of step. But then the question arises of whether we are indeed managing to change the style of party work. Conversations with Communists have again indicated how we stand with regard to our own cadres, how internal party discipline fares in delicate situations, how we are honoring the statutes, and how we are working with them. The question is for whom, so to speak, are we to care most in the party in the present period. I think, first and foremost, for mature, independent, although possibly sometimes conflict-prone people who are not afraid to speak the truth openly and bear responsibility for themselves and for the collective. Therefore, we are also devoting great attention to preparation in terms of cadres of the annual members' meetings and conferences. For the issue is that Communists should be the avant-garde of restructuring; they should seek new solutions independently, formulate the specific aims of individual workplaces, and that they look in a forward direction.

Often the need for dialogue is spoken about. But such a discussion is still not fully under way, even in the party. This applies to all levels. I am convinced that, as long as we do not manage to have an open dialogue that is intrinsic to the whole of our party, we will not be completely successful in having a dialogue with the working collectives, with youth, the intelligentsia, and with other sections of society.

In Prague we feel self-critically that our ideological work does not everywhere correspond to the contemporary needs of the party and the time. In society the number of everyday and often passionate discussions and conflicts is increasing. People are coming across absolutely new situations, concepts, and experiences. And not only younger people, but older people too. All kinds of foreign influences also have an effect here. The illegal groups are changing their tactics. They come along to meetings, discussions, gatherings, and events of organizations of the National Front and the national committees and they stand up with questions, opinions, and provocations. However, not everywhere are we prepared to respond, to defend our points of view, and to unveil harmful demagogy. Some comrades are even literally shy of "sticking their necks out" in a discussion and of adopting a point of view. We must put an end to this. It is not necessary to say that the system of various training courses built up over the years, the publication of books and manuals is, of course, not enough. Today we also require theoreticians of socialism to speak knowledgeably on today's tempestuous movement in our country and in the world, so that they help policy and give society a stimulus toward sensible consideration and essential deeds. For this, it is also necessary to show willingness and to study the surrounding world. In particular, young party members would be glad to hear from representatives of the social sciences about open viewpoints on complicated problems, the prospects for socialism, and on the feasible possibilities for fulfilling in a complicated world those ideals to which we subscribed.

It is necessary to do away with the practice by which theoretical workplaces and the system of propaganda in general frequently only compete in the pragmatic approval of policy or in commenting on it whereby the main intention is frequently to justify anything.

In party organizations, particularly in enterprises, we come across the view that it is necessary to give more room to the workers class, to ordinary people, to the working man to express themselves on important social problems. It is true that the pages of newspapers, and radio and television are teeming with concepts, but it is only a few employees of the mass information media who take the time to consider problems jointly and more deeply with the party chairman, with the working collective, with the senior worker, with the experienced constructor, or with an enterprising economic manager.

In my opinion, today it is also necessary to get rid of incompetence, anonymity in decisionmaking, and sometimes even empty words and empty documents. This is one of the reasons for the wait-and-see attitude of Communists and non-party members. It is only possible to guarantee an improvement if we concentrate on the actual quality of political and cadre work. We have the resolutions. Unfortunately, I must say that to date old criteria are often applied. Real political, moral, and specialist qualities often remain concealed behind old habits and procedures, just like the opinions of the working collective. It is necessary to do more in the democratization of cadre work, as was discussed at the seventh and ninth CPCZ Central Committee sessions.

The profound revolutionary changes in the Soviet Union are meeting with the great response of the public. And, in particular, the recent USSR Congress of People's Deputies has aroused great interest, discussion, and a variety of opinions. There is absolutely nothing abnormal about this. However, I want it to be appreciated that party members, non-party members, youth, and the intelligentsia have a great interest in the Soviet Union and a great interest in Soviet restructuring. And this is a good platform on which we could also do more to ensure that our working people are more actively involved in the tasks which the Central Committee has announced and adopted in restructuring and democratization.

Resolutions From 14th CPCZ Session Published

AU2006171389 Prague RUDE PRAVO in Czech 16 Jun 89 p 1

["Resolution of the 14th CPCZ Central Committee Session"]

[Text] The Communist Party of Czechoslovakia [CPCZ] approves:

1. The report on the Activity of the CPCZ After the 13th Central Committee Session and its Further Tasks, which was delivered by General Secretary Comrade Milos Jakes.
2. The opening speech by Comrade Frantisek Hanus, secretary of the CPCZ Central Committee, on checking the implementation of the resolutions on scientific-technical development, metallurgy, engineering, and electrical engineering.
3. The Statement of the CPCZ Central Committee on checking the implementation of the resolutions on scientific-technical development, metallurgy, engineering, and electrical engineering.
4. Report on the activity of the Presidium, Secretariat, and commissions of the CPCZ Central Committee since the 13th CPCZ Central Committee session in March 1989.
5. An amendment to the principles governing the involvement and registration of Communists in primary organizations at their places of residence.

The Central Committee takes note of:

1. The reports submitted by Comrade Pavel Hrivnak and Comrade Karel Julis, members of the CSSR Government, on the fulfillment of tasks in the sphere of scientific-technical development, metallurgy, engineering, and the electrical engineering industry.
2. The political and organizational provisions for the conclusions of the 14th CPCZ Central Committee session.

It set tasks :

for party organs and organizations, Communists in the governments and in the central organs, in economic, and in social organizations:

1. To wage with greater decisiveness the struggle for the broader utilization of scientific development as the fundamental method of increasing the social productivity of labor. To achieve the thorough fulfillment of the adopted resolutions by the clarification and assertion of the set tasks and by the implementation of effective methods of work. To activate the workforce toward the development of proven and new forms of initiative aimed at higher efficiency, quality, and economy, and at the fulfillment of tasks for 1989. To secure the thorough preparation of the plan for next year. To adopt and implement measures at all levels to achieve a qualitative turnabout in the engineering-metallurgical and electrical engineering industry.
2. To project the results of the 14th CPCZ Central Committee session into preparations for the 18th CPCZ Congress, the annual members' meetings and party conferences, and into everyday ideological, educational, organizational, and managerial activity.

Press Reports Presidium Session Proceedings

AU2006173389 Prague RUDE PRAVO in Czech 16 Jun 89 p 1

["Report From a CPCZ Central Committee Presidium Session"]

[Text] Prague—At its session on Thursday [15 June] the Presidium of the Central Committee of the Communist Party of Czechoslovakia [CPCZ] dealt with a comprehensive report on the organizational restructuring of the manufacturing technology, research and development, and distribution base of the national economy to state enterprises, effective from 1 July 1989. In total, more than 700 new state enterprises, of which 45 percent have been founded by national committees, are involved in this concluding stage of the organizational restructuring of the enterprise sphere.

It discussed a report on how the conclusions of the 17th CPCZ Congress concerning the representation of women in party, state, economic, and social functions are being fulfilled. In the last 2 years, in particular, the number of women in some posts has increased; however, this far from corresponds to actual possibilities. The Presidium stated that the favorable development in assigning women to posts at the lower levels of management creates prerequisites for a more fundamental turnabout in the proportion of women in leading posts at the central organ level also.

It approved Comrade Julius Pauke for the post of head of the CPCZ Central Committee Agriculture, Food Industry, Forest and Water Management, and Wood Processing Department.

Style of Central Committee Work Assessed

AU1906194289 Prague RUDE PRAVO in Czech 14 Jun 89 p 2

[Michal Podzimek article: "Style of CPCZ Central Committee Work"]

[Text] Today the 14th session of the party Central Committee begins. On the agenda is a discussion of review reports on the fulfillment of previous Communist Party of Czechoslovakia [CPCZ] Central Committee resolutions on scientific-technical development and the engineering, metallurgy, and electrical engineering complex. The Central Committee will consider how the restructuring of the economic mechanism is reflected in these, for us vitally important, spheres.

The session has a reviewing character. Beforehand, the members and candidate members of the Central Committee obtained written reports from Pavel Hrivnak and Karel Julis, federal deputy premiers. The first one deals with the fulfillment of tasks arising from the fifth CPCZ Central Committee session on scientific-technical development and, in harmony with new knowledge, outlines what to do next. The second report evaluates the development of engineering, electrical engineering, and metallurgy so far and proposes starting points for the more effective fulfillment of the function of this important national economic complex.

The fact that members and candidate members of the CPCZ Central Committee had the opportunity to acquaint themselves with these reports even before the session is very significant. Thus, everyone was able to prepare himself well and in time for the session of the elected organ and, in conjunction with the problem under discussion, to formulate his speech at the discussion or, for instance, a question for the appropriate functionaries and leading officials.

A number of specialists, party, and economic managers expressed themselves publicly on the problem under discussion at the 14th session in the pages of RUDE PRAVO, PRAVDA, and in other mass media.

Thus, the above-mentioned written reports from the deputy premiers are one of the further steps toward ensuring that the Central Committee proceedings are even more efficient. As a matter of fact, this is also a requirement that was discussed at last year's ninth session of the CPCZ Central Committee in April, which dealt with the work of the party under the conditions of restructuring and democratization. From that time, the work of the Central Committee, its elected organ, has changed a lot in terms of style and methods. For example, at last year's October session the number of CPCZ Central Committee commissions was expanded, now 13 in total are operating. By this, better conditions were created for the fuller involvement of members and candidate members, and also non-members of the Central Committee, in the creation, implementation, and control of party policy. Today the commissions also contribute significantly to the consideration of fundamental issues associated with the preparation for the 18th congress, with the policy of restructuring and democratization, and with the resolving of topical and conceptual tasks of socioeconomic development.

The new Central Committee rules of procedure were also approved at the October session. The changes which were introduced in them increase, in particular, the democratic nature in the Central Committee's work. For example, it is stated in the rules of procedure that Central Committee members, candidate members, and the chairman of the CPCZ Central Control and Audit Commission have the possibility of putting forward suggestions about points on the agenda under discussion and about the speeches made at the debate. They can do so either orally, in the form of factual suggestions or queries, or in a written form to the chairman of the discussion. Central Committee members and candidate members can also submit questions: on the reports presented by the CPCZ Central Committee Presidium; to members and candidate members of the CPCZ Central Committee Presidium, to secretaries and members of the CPCZ Central Committee Secretariat, to other Central Committee members and candidate members on matters which concern their activity; and to Communists heading state central organs and representing National Front organizations on matters concerning the implementation of CPCZ Central Committee resolutions within the range of their province.

For the better flow of information within the party, including information for CPCZ Central Committee members, candidate members, and members of the CPCZ Central Control and Audit Commission, the SBORNIK DOKUMENTU USTREDNICH ORGANU KSC [Anthology of Documents from CPCZ Central Organs] is published regularly and operative information on topical, political, and ideological problems is being sent out.

A new feature in the work of the Central Committee is that at the beginning of the session the CPCZ Central Committee general secretary reports on the development of the political situation since the last session and on the activity of the Central Committee Presidium, the Secretariat, and commissions. In the report a point of view is adopted on topical issues of party work and on the progress of the economic reform, social restructuring, and democratization.

It is also characteristic of the work of the Central Committee that it informs the public in detail about its sessions. The daily press publishes the presented reports and RUDE PRAVO, Bratislava PRAVDA, and UJ SZO publish substantial portions of contributions to discussions. Thus, everyone has a possibility of considering the level of the session, the reports submitted, and the contents of the discussions.

As far as the discussion is concerned, it is necessary to say frankly that some contributions still conform to departmental approaches and lack a broader, universal view of the problem under discussion. To put it in other words, it is not enough only to talk about the difficulties of one's workplace, it is also necessary to put forward proposals for the solution from the Central Committee's point of view, which deals with the issues of asserting party policy in the whole of society.

On the whole, it is of course possible to say that good prerequisites have been created so that Central Committee proceedings are distinguished by openness, efficiency, a businesslike manner, and also criticism. With the implementation of the new methods and forms of work, the Central Committee is also setting an example for other elected party organs.

Federal Assembly Meets; Considers Resolutions

Appeals to Hungary Over Dam

*LD2006203189 Prague CTK in English
1936 GMT 20 Jun 89*

[Text] Prague June 20 (CTK)—Deputies of the House of the People and House of Nations of the Czechoslovak Federal Assembly have been acquainted with the June 8, 1989 statement of the Czechoslovak Government on the Hungarian Government's resolution to suspend for two months the building of the Nagymaros water project.

In a statement issued at their joint session here today they stated that the Nagymaros dam is part of the joint Czechoslovak-Hungarian Gabcikovo-Nagymaros water system and Hungary's unilateral resolution runs counter the signed interstate agreement.

The Gabcikovo-Nagymaros water project has great importance for the protection of land, water conservancy, and for power engineering, transport and other sectors of the two countries' national economies. The project was prepared by qualified experts from both countries with regard to economic, ecological, seismic and other necessary conditions. The Czechoslovak Federal Assembly is convinced that the successful completion of the Gabcikovo-Nagymaros water project will be of all-round benefit to the Czechoslovak and Hungarian people, the Czechoslovak Federal Assembly said in its statement.

The Czechoslovak Federal Assembly asks the Hungarian National Assembly to contribute to the implementation of the inter-state agreement, to support the successful completion of the water project which is to be a contribution to the life of the present and future generations of the two socialist countries, the statement said.

Approves Report on Economy

*LD2006222589 Prague CTK in English
2055 GMT 20 Jun 89*

[Text] Prague June 20 (CTK)—Deputies to the Czechoslovak Federal Assembly approved at the close of their debate today a Federal Assembly resolution on the report of the Czechoslovak premier on the development of the national economy and its present tasks.

They also approved the final state account for 1988, which shows incomes totalling 216,280,440,000 crowns, expenditures totalling 214,630,656,000 crowns, and an overall surplus of 1,649,784,000 crowns.

Also approved was a Federal Assembly statement on the construction of the Gabcikovo-Nagymaros joint Czechoslovak-Hungarian water system. In connection with this issue Czechoslovak Deputy Premier Pavel Hrivnak stated that on the basis of talks between the Czechoslovak and Hungarian premiers, Czechoslovakia turned to the Hungarian side with a demand for submitting newly found facts which led to the suspension of work on the Nagymaros dam. The Hungarian side, however, has submitted only its views without any documentation. It has been therefore agreed that the Hungarian side will submit complete written documents on the basis of which groups of Czechoslovak experts will continue investigation of all facts linked to the project, Pavel Hrivnak said.

Czechoslovak Premier Ladislav Adamec in his final address at the close of today's debate characterized the main obstacles to progress of the Czechoslovak economy, stating that the high outdatedness of production funds is a great burden for the national economy as it decreases the productivity of labour to a great extent.

"I do not comfort myself with the fact that our situation is still relatively good, I think about the future. I do not rely on the fact that most people live without any greater problems. I am convinced that problems must be solved more quickly," Ladislav Adamec stressed.

The joint session of the Federal Assembly House of the People and House of Nations continues tomorrow.

Czech National Council To Convene 22 Jun

*AU2006075389 Prague RUDE PRAVO
in Czech 15 Jun 89 p 2*

[CTK report: "Meeting of the Czech National Council Convened"]

[Text] Prague—The Czech National Council will convene for its 15th meeting on Thursday, 22 June. The deputies will discuss the closing account of the state budget of the Czech Socialist Republic for 1988.

Nagy Funeral, Reaction to Fojtik Speech Viewed
AU2106103089 Prague RUDE PRAVO in Czech
19 Jun 89 p 7

[Stefan Nemeth commentary: "A Danger That Is Seen Not Only From the Outside; On the Periphery of Imre Nagy's Funeral"]

[Text] Budapest (from our special correspondent)—The Saturday [17 June] papers in Hungary billed the speech by Jan Fojtik, member of the Presidium and secretary of the Communist Party of Czechoslovakia Central Committee, at Presov, delivered on the occasion of the 70th anniversary of the declaration of the Slovak Republic of Soviets, as sharp criticism of events in the Hungarian People's Republic. They were referring, in particular, to the passage in which he said that, in more than one case, the opponents of socialism, counterrevolutionary forces, stand in Hungary under the banner of the renewal of socialism.

The very same day, in an interview for the radio, Istvan Oszi, deputy minister of foreign affairs of the Hungarian People's Republic, assessed these words as "incomprehensible and unacceptable." At the same time he pointed out that among as profound and fundamental social changes as are those taking place in the Hungarian People's Republic today, there undoubtedly also occur manifestations which, for an outside observer, are hard to comprehend at the moment. He stressed that what is taking place in the country is "the development of democracy and renewal of socialism, in which friends can help with trust and patience." As an inseparable part of this process he described the reevaluation of the country's history and, within this framework, the rehabilitation of Imre Nagy and his associates.

Needless to say, none of the fraternal countries, including Czechoslovakia, is opposed to efforts at the renewal of socialism in the Hungarian People's Republic and at elucidating several of the "blank spots" in the country's history. However, it is also necessary to understand concerns of the neighboring socialist countries aroused by those events in the Hungarian People's Republic which are not entirely in harmony with the proclaimed aims.

Let us consider, for example, the Friday [16 June] symbolic funeral of Imre Nagy, former Hungarian premier, who was executed 31 years ago for his activity in October and November 1956. The information media have launched a literally unheard-of campaign around this event. Thousands of emigres have descended on Budapest from the West, with the most prominent of them giving interviews in all directions. Before the funeral, the Hungarian Government expressed the conviction that the act of mourning would contribute to national reconciliation and social consensus. But is this what actually happened?

As we have already written, the piety in Budapest's Heroes Square and at the cemetery in the suburb of Rakoskereszur passed off in a calm atmosphere. However, there were ideas voiced in the funeral orations at the catafalque of I. Nagy and his associates which cannot be applauded with the best of will and which cannot be described otherwise than as attacks against the Hungarian Socialist Workers Party [MSZMP], the Soviet Union, and socialism as a whole. Sandor Racz, former chairman of the so-called Budapest Workers Council of 1956, declared that the chief obstacles to the development of Hungary are the presence of Soviet troops and the existence of the Communist Party, which refuses to give up power. Viktor Orban, who usurped the right to speak on behalf of all young people in the Hungarian People's Republic, claimed that democracy and communism are incompatible and called for the overthrowing of the "communist dictatorship." This spokesman is member of the Federation of Young Democrats (FIDESZ), an opposition organization receiving generous support from the West, which on the eve of the funeral organized a demonstration before the USSR Embassy. Participants in the demonstration demanded the immediate withdrawal of Soviet troops and Hungary's withdrawal from the Warsaw Pact.

The political weekly VASARNAPI HIREK also admitted objectively in its Sunday [18 June] issue that "anticommunist and antisocialist" platforms were upheld at the funeral and that statements were made there which "identified socialism with Stalinism and equated the Soviet Union of 1956 with the Soviet Union of Gorbachev." In this connection the newspaper stresses that, at this important moment, no one who feels responsible for the fate of the nation must incite anti-Soviet sentiments. Quite the contrary, it is necessary to strengthen friendship and trust with the Soviet Union, which is taking the path of restructuring. VASARNAPI HIREK pointed out that "instead of national reconciliation, at the Nagy funeral some people were sketching such a 'closing of ranks,' from which they would exclude the MSZMP."

As can be seen, the danger of the activation of certain forces in Hungary which regard the socialist system and friendship with the Soviet Union and other socialist countries as a thorn in their flesh is being realized not only by "outside observers." Much will now depend on how, in the given situation, one succeeds in overcoming disunity within the MSZMP and its leadership. The Friday [23 June] session of the Central Committee can suggest a great deal in this respect. While discussing topical issues of preparations for the congress, the session is expected to assume a stand on the development of the situation in the country and on its socialist prospects.

Nagy Funeral 'Stage-Managed' by Opposition
AU2006134189 Bratislava PRAVDA in Slovak
19 Jun 89 p 7

[Commentary by Budapest correspondent Vojtech Vesely: "Politicized Piety"]

[Text] We know that political culture requires that statements and facts be placed in their context, for otherwise they are deprived of their true value.

Let us therefore say something about the circumstances first, at least telegraphically: Friday [16 June] ceremony to honor the memory of Imre Nagy, former premier of the Hungarian People's Republic, and his associates, sentenced to death in the wake of the 1956 events. Some 250,000 moved citizens at Heroes Square, millions at their televisions and radios. Catafalques in a sea of flowers. Emotions and piety have engulfed the minds of all.

A shrill voice all of a sudden breaks into the reflections, with which everyone wants to be left alone at the moment:

"We are talking about reconciliation and about reaching out to one another. But we will join hands only after free elections, in a free parliament. Until then we must lock ourselves in and even the gates of Hell will not overpower us!"

"Do conditions exist for Hungarian freedom to arise from the blood of Hungarian heroes? They do not; Hungarian society is facing a great many obstacles. The first of them, and the one which is the hardest to overcome, is the presence of Soviet troops on Hungarian territory. The result of their presence are these coffins and our bitter life today. The second obstacle is the Communist Party, which is tenaciously holding on to power, although it as clear as daylight that what it has not done for 43 years can no longer be rectified.... Communists in Hungary will have to rehabilitate one another for a long time to come in order to regain the lost trust."

According to the announcement, Viktor Orban, member of the Federation of Young Democrats, spoke "on behalf of the young generation." Speaking in a confrontational tone, he too claimed that in 1956 the party deprived the youth of its future, that in the coffins mounted on the catafalques lie "also our subsequent 20 or who knows how many years." Yesterday's issue of the Sunday paper VASARNAPI HIREK published a statement by three Budapest district groups of this federation, in which they dissociate themselves from V. Orban's speech, regard it as a breach of piety and as politically unfounded and incomprehensible. It is inadmissible, they write, to willfully present one's own individual opinion as that of a whole generation.

Terms such as "vice regents of the branch office," "fanatical madmen," "Fuehrer-like swollen-heads," "sadist savages," "Russian empire," "continuers of the mad policy of Tsar Nicholas," or "return of the stolen homeland" are to be heard. A speaker from overseas invokes the political day before yesterday: "...the fate of the people beyond and within the state borders is neither a foreign nor an internal affair but the united public-administrative realm of the spiritual Hungarianness [madarstvo]." Another spokesman expresses himself more clearly: "From the grave of Imre Nagy we are sending our neighbors, where hundreds of thousands or millions of Hungarians live, the following message: Do not harm the Hungarians!.... The land where mostly Hungarians live is Hungarian land."

Everything in the 9-hour ceremony, the monumentality of which overshadowed even the funeral of the legendary Lajos Kossuth at the end of last century, was stage-managed by the opposition. It had a free hand, no one forbade it anything, time, space, and microphones were placed fully at its disposal. The speeches showed how and to which ends it made use of the freedom it was given. But, perhaps, it was good because clear language is better than pretence. Now everyone sees what sort of people he is dealing with....

We will not argue with anyone. The moral and political value of such politicized piety can surely be assessed by everyone on his own, both in Hungary and in Czechoslovakia. This also concerns the question of whether one can speak about dictatorship and a lack of freedom where such speeches are made in public and the question of whether all this will benefit national reconciliation, the renewal of socialism, and Hungary's reputation in the world.

Gorbachev's FRG Visit Positively Assessed

AU2006140989 Prague RUDE PRAVO in Czech 17 Jun 89 p 7

[Jan Kovarik commentary: "Realistic and Futile Hopes"]

[Text] Long before the start of Mikhail Gorbachev's visit to the FRG, West German public opinion was being convinced about all the things that the Soviet-West German meeting at the highest level could and should bring. The rank and file citizen was engulfed with newspaper headlines, arguments and speculations, half-baked demands and intentional indiscretions on the topic or even the outcome of the forthcoming meetings. The visit has come to an end and it is time for the first assessment, the first answers to questions on which hopes lodged in it were realistic and which were futile.

With their economic, military, and political potential, the Soviet Union and the FRG are states on whose policy developments in Europe, the continuation of the Helsinki process of detente, and the breadth of the disarmament process largely depend. The talks illustrated that both countries realize this. Although they are anchored in different ties of alliance, they are coming to the opinion that despite of this, or rather because of it, they must place this potential at the service of such a development as will exclude violence and wars from international life. This also follows as a lesson from history, both from its good and from its tragic pages.

The joint statement signed by Mikhail Gorbachev and Helmut Kohl is the reply by the USSR and the FRG to the challenge of the times. It is defined as historic because in it both states acknowledge their share of responsibility and the joint principles by which they want to be guided in the effort to guarantee the dignity of man and the survival of mankind. In this sense, the Kohl and Genscher government found the courage to continue what was founded by the government of Chancellor Brandt in the 1970's despite the then resistance of Bonn's now governing parties.

Placing science and technology at the service of civilization, removing the barriers preventing various forms of cooperation, respecting reality in Europe and in the world, preventing the outbreak of war—these are the important pillars of the document which should shift Soviet-West German relations onto a higher level and positively influence international events. At the same time, this means the eradication of the present reasons for distrust and tension, and doing nothing, even in the future, which could damage the delicate fabric of the evolving trust. These are prerequisites that are altogether realistic. But because the letter of the agreements demands deeds it is necessary to unite in the interpretation of individual conceptions, to clarify what each side understands by mutually beneficial cooperation, by good-neighborly relations, by the right of freedom of choice, by overcoming the division of Europe, and by the principle of reasonable defense sufficiency, and so on.

It is impossible to conceal that there are forces in the Federal Republic which interpret these and other concepts of the statement in their own way. For example, under trade is understood the export of West German equipment and investment units and the import of Soviet raw materials, disarmament is understood to mean a unilateral reduction within the framework of the Warsaw Pact and a symbolic one in NATO, cooperation is linked with the preservation of discriminatory measures on the export of the most modern technology, the unification of Europe is made conditional on the denial of the outcome of the Second World War, and overcoming the "division of Germany" is comprehended as the swallowing of the German Democratic Republic by the Federal Republic. These are those futile hopes with which Gorbachev's mission was associated. The Bonn newspaper GENERAL ANZEIGER admitted this when it wrote that the Soviet guest "does not link the unification of Europe with overcoming the division of Germany." In Europe the opinion does not prevail that in the pan-European home there should not be a place for two German states, nor that the quadripartite agreement on West Berlin, which literally lays down that this city is not part of the FRG and is not to be governed by it, should not be valid. Similarly, it is futile to expect pressure from the USSR on the GDR for changes to its policy according to the wishes of certain West German circles. Here it is fitting to say that not hiding behind the back of someone else but negotiation between the two German states is the viable road to the future.

For 4 days public opinion experts were racking their brains about how to explain the enthusiasm, spontaneity, and cordiality with which the most senior Soviet representative was received in the Federal Republic. Some put it down to "the charm of personality which radiates from him," others saw the reason in his smile, and yet others in "good propaganda work." However, closest to the truth were those who defined as the main reason his realistic approach to today's world, his respect for life, and for man. And it is symbolic that Mikhail Gorbachev ended his visit to the FRG with a meeting with people of labor—with the Ruhr steelworkers. "He removed West Germans' fear of war," stated one of the commentators. In this lies the meaning of Soviet policy—to convince the international community that despite all the differences it is possible to live together in peace and mutual respect. To convince and itself lead by example.

Brzezinski's Role in Polish Elections Noted

AU1906174289 Prague RUDE PRAVO in Czech
16 Jun 89 p 7

[Unattributed report in the "They Said, They Wrote" column]

[Excerpt] [Passage omitted] In its Thursday [15 June] issue, GAZETA WYBORCZA, the Polish opposition paper, gave voters specific instructions on which candidates of the Polish United Workers Party and its coalition partners should be given their votes in Sunday's [18 June] second round election and which names should be crossed out.

From Warsaw's political and journalistic circles, it has transpired that the influential American politician Zbigniew Brzezinski is still in Warsaw. It has not been ruled out that he personally supervises the opposition's course of action and the course of parliamentary elections in Poland.

Foreign Ministry Statement on Eritrean Issue

AU2006144889 Prague RUDE PRAVO in Czech
17 Jun 89 p 2

[CTK report: "Road to Ending Fratricidal War"]

[Text] Prague—Ivan Kulhanek, spokesman for the CSSR Ministry of Foreign Affairs, on Friday [16 June] issued a statement which says:

The recent extraordinary session of the National Assembly of the People's Democratic Republic of Ethiopia proposed a new political solution to one of the country's most serious problems—the Eritrean question. The content of the appeal addressed to all opposition organizations, is the government's willingness to begin public official talks without preconditions in the interest of ending the armed conflict and establishing peace in the country.

We welcome and support this decision of the supreme legislative body of the People's Democratic Republic of Ethiopia, which points out to all interested parties the road that should lead to ending the fratricidal war in northern Ethiopia.

We are of the opinion that the current favorable international climate creates the necessary prerequisites for these proposals aimed at a speedy solution of the Eritrean question considerably contributing to the settlement of the situation in the entire region of the Horn of Africa.

Notev Case Threatens East-West Visits

LD2006164789 Hamburg DPA in German 1440 GMT 20 Jun 89

[Text] Berlin (DPA)—In a series of diplomatic representation of protests kept secret up to now, the Western powers, the FRG, and the EC have called on the USSR and the GDR to return Martin Notev, who fled in February over the Spree River and who was then forcibly returned in a patrol boat to East Berlin. Their efforts, up to now in vain, are threatening to escalate into pressure on East-West relations in which the cancellation of bilateral political visits no longer appears to be excluded, it was reported today from allied circles in Berlin. The Western protests are in no way a formality but are to be taken extremely seriously. A solution is desired as soon as possible.

The 21-year-old Notev broke through the GDR border installations north of the Reichstag in a truck on 14 February with two friends, and then jumped into the Spree with the others. Manfred Mueller, the 21-year-old driver, and Thomas Schildberg, also 21, reached the West Berlin bank safely. Notev was able to grasp onto the bank with one hand. He was pulled away by a border soldier who stepped onto the West Berlin bank, dragged him into the boat, and took off. At the end of April, Notev was sentenced to 4 years imprisonment and a fine of DM 40,000. At the recommendation of his defense lawyer, Wolfgang Vogel, he did not appeal. Bonn's efforts to buy his freedom broke down.

The British military government, in whose sector the bank is, lodged a complaint with the Soviet Embassy in East Berlin the next day. The British political adviser made the position of Great Britain, France, and the United States—which has since then been reported many times—clear: It is a question of a grave violation against the Four-Power agreements which no one is prepared to accept. He reminded the Soviet Union of its responsibilities for the whole of Berlin. The U.S. envoy protested on 28 February on behalf of the Western powers "in the sharpest possible form" and called on the Soviets to initiate Notev's return. The Soviet answer each time referred to the supposed jurisdiction of the GDR, whose sovereignty is taken very seriously.

On 6 March, the incident was brought up by British Foreign Secretary Geoffrey Howe in Vienna with GDR Foreign Minister Oskar Fischer and Soviet Foreign Minister Eduard Shevardnadze. On 29 March, the French ambassador took the matter up again with his Soviet counterpart in East Berlin.

The EC intervened in a way it has never done before. The Spanish ambassador, as a representative of the country which chairs the EC Council of Ministers, lodged a protest in East Berlin against several cases of the use of firearms at the Berlin Wall and demanded Notev's immediate return. The GDR is violating human rights and its behavior contradicts the Helsinki Final Act and other CSCE documents. The GDR rejected the protest as interference in its internal affairs and argued that it had the right to protect its border. On 25 May, Spain made another attempt in the EC's name.

The Britains and the Americans also brought up the case at the Paris human rights conference, which is still going on. There the GDR must give an answer. Notev's name was also on a list of GDR citizens who wish to leave that Governing Mayor [of West Berlin] Walter Momper handed over to GDR state and party leader, Erich Honecker, yesterday in East Berlin.

The Allies are resolved not to consign the "kidnapping case" to the files. But they are also not counting on a clear answer. They would be satisfied if Notev was simply deported. Up to now, there is no indication this will happen.

People's Chamber Welcomes Soviet Appeal to World

AU1906175589 East Berlin NEUES DEUTSCHLAND in German 15 Jun 89 p 1

[ADN report: "GDR People's Chamber Welcomes USSR Appeal to Peoples of the World"]

[Text] East Berlin (ADN)—The president of the GDR People's Chamber, Horst Sindermann, has addressed the following letter to the chairmen of the Soviet of the Soviet Union and the Soviet of Nationalities of the USSR Supreme Soviet, Y.M. Primakov and R.N. Nishanov:

The "appeal of the USSR Congress of the People's Deputies to the peoples of the world" is meeting with great international attention. It testifies again to the uncompromising determination of the Soviet people to do justice to their historical responsibility for preserving and safeguarding peace and for the destiny of socialism. It accords with the dictate of the hour when the deputies of the highest organ of power of the USSR raise their voices in support of guaranteeing security primarily through political means, replacing confrontation by cooperation, and shaping fruitful cooperation in international relations on the basis of such principles as strict observance of sovereignty, independence, and territorial integrity.

On behalf of the deputies of the GDR People's Chamber, I declare their full support for the initiatives contained in the appeal of the USSR Congress of People's Deputies. It is and continues to be the concern of our socialist state to do everything possible so that war will never again start from German soil, but only peace. The 50th anniversary of the outbreak of the disastrous World War II represents both a reminder and an obligation.

With its dedicated policy of dialogue and cooperation, as well as the advance measures that it has taken to reduce its Armed Forces and its military spending, the GDR is participating in the worldwide struggle for the reduction of the arsenals of weapons and the continuation of the disarmament process. Its purposeful efforts to create a nuclear and chemical-weapon-free zone, as well as a zone of security and confidence in central Europe also serve this aim.

You may rest assured that the GDR will continue to make an active contribution to implementing the peace strategy of the community of socialist states.

I herewith inform you that the complete text of the appeal of the Congress of the People's Deputies has been published in the GDR media.

GDR, FRG Trade Unionists Hold Talks

LD2006172589 East Berlin ADN International Service in German 1359 GMT 20 Jun 89

[Text] Berlin (ADN)—Official talks began in Berlin on Tuesday [20 June], between a delegation from the National Executive of the Free German Trade Union Federation [FDGB], led by its chairman, Harry Tisch, and a delegation of the Berlin (West) area executive of the West German Trade Union Organization [DGB], led by its chairman, Michael Pagels. The discussion centered on the work of trade unions in securing peace and disarmament, as well as on mutually interesting questions of trade union representation in social systems. The two sides welcomed the meeting between Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and Walter Momper, the governing mayor of Berlin (West), the previous day and supported the results of their constructive dialogue. Michael Pagels said that the DGB of Berlin (West) will be an active partner in implementing agreements already concluded, and in new agreements between the GDR and Berlin (West). He stressed that it is important to approach all questions of further developing relations between the FDGB National Executive and the Berlin (West) area executive of the DGB, as well as at the state level, with reason and goodwill.

Present at the talk on the FDGB National Executive, are Arthur Czadzeck, chairman of the Potsdam executive of the FDGB; and on the DGB Berlin (West) side, the chairmen of the Berlin (West) executives of the commerce, banking and insurance trade union, Manfred Mueller, the industrial trade union for the chemical industry, paper and ceramics, Juergen Wingefeld, as well as Hans-Joachim Keller and Detlef Prinz (Metalworkers' Industrial Trades Union). The delegation will visit plants and installations in the Potsdam area and in Berlin during the visit which will last several days.

Mittag Receives FRG Businessman on Trade Ties

LD1906131989 East Berlin ADN International Service in German 1115 GMT 19 Jun 89

[Text] Berlin (ADN)—Guenter Mittag, member of the SED Politburo, secretary of the Socialist Unity Party of Germany [SED] Central Committee, and deputy chairman of the GDR State Council, held talks with Hans-Peter Stihl, chairman of the German Chambers of Industry and Commerce (DIHT) of the FRG, in Berlin today on the expansion of trade and economic relations between the GDR and FRG.

Guenter Mittag stressed the GDR'S firm intention of further extending trade and economic relations between the two states, starting on the basis of the joint communique on the official visit of Erich Honecker, general secretary of the Central Committee of the SED and chairman of the GDR's State Council, to the FRG in September 1987. In this connection, he emphasized that trade and economic relations, which have been on a high level for years, are a considerable stabilizing factor in relations between the two German states. Here an important role is also played by the FRG's medium-sized industry through which more than half of the trade between the GDR and the FRG is at present carried out.

In the talks, which took place in a constructive atmosphere, Hans-Peter Stihl emphasized the DIHT's strong interest in the further expansion of the trade relations between the two German states, including, in particular, the FRG'S medium-sized industry.

Under his chairmanship, the DIHT will continue its longstanding tradition of cooperation with the GDR, and will maintain and expand its presence at the Leipzig fairs.

On the GDR side, Gerhard Beil, minister of foreign trade, and Alexander Schalck-Golodkowski, state secretary in the Ministry of Foreign Trade, took part in the talks.

Foreign Ministry Welcomes Ethiopian Initiative

AU2006112189 East Berlin NEUES DEUTSCHLAND in German 16 Jun 89 p 2

[ADN report: "GDR Expresses Solidarity for Ethiopian Peace Initiative"]

[Text] East Berlin—The GDR fully supports the recent peace initiative submitted by the Ethiopian Parliament, the Foreign Ministry spokesman, Ambassador Wolfgang Meyer, told ADN on Thursday [15 June]. The GDR expresses its solidarity with the friendly country of Ethiopia, with its efforts to settle the conflict in the north of the country peacefully through political means.

The parliament's proposal to unconditionally open talks by all parties to the conflict is characterized by a sense of responsibility and realism, the spokesman continued. It is of great significance, both for the peaceful development of the Ethiopian people, and the continuation of the peace process in southern Africa. During the meeting between Erich Honecker and Mengistu Haile Mariam in Berlin in May, both sides expressed the view that the early restoration of internal peace is an essential precondition for the country's further economic and social progress. Political will, reason, and readiness for compromise, as expressed in the peace initiative, are required on every part. The inviolability of the unity of the country's territorial integrity is of vital interest for the Ethiopian people. In conclusion, the ambassador stressed that the GDR will continue to stand at the side of Ethiopia in close friendship.

Sindermann Meets With Swedish Parliamentarians

LD1906145689 East Berlin ADN International Service in German 1228 GMT 19 Jun 89

[Text] Berlin (ADN)—In Berlin this morning, Horst Sindermann, member of the SED [Socialist Unity Party of Germany] Central Committee Politburo and president of the GDR People's Chamber, and the delegation from the defense committee of the Swedish Riksdag, currently visiting the GDR and led by the committee's chairman, Arne Andersson, expressed their satisfaction that the exchange of opinions between parliamentarians from the GDR and Sweden on such important issues as disarmament, confidence-building, and cooperation is developing so intensively and fruitfully. During the friendly exchange of opinions in the People's Chamber building, the officials unanimously emphasized the relations between the two states, which are developing in a stable and dynamic way, and which have been given considerable impetus by the meetings at the highest level in past years.

In this connection, Horst Sindermann referred to the visit of the People's Chamber Committee for National Defense to Sweden 20 months ago. Since then, the world has changed again. The change from confrontation to detente has increasingly characterized international relations, however, one can also not overlook contrary processes and complications.

He proposed that questions of security and environmental protection in the Baltic Sea area should be discussed at a meeting of parliamentarians from the bordering countries, as well as from Norway and Iceland.

Arne Andersson described the visit as a further important part in the joint relations between the two states. He said he likes to remember the useful talks with members of the People's Chamber Committee for National Defense in Stockholm.

Roland Brannstrom, deputy chairman of the committee, who is a member of the Swedish delegation, referred to the significance of cross-border solutions for environmental problems. In this connection, there is a wide field of activity for the parliamentarians.

Horst Sindermann said that a planned meeting between the presidents of the parliaments of the GDR and Sweden is awaited with great expectation.

Mittag Holds Talks With SRV Counterpart

BK1306153689 Hanoi VNA in English 1457 GMT 13 Jun 89

[Text] Hanoi VNA June 13—Talks were held in Berlin yesterday between Guenter Mittag, Politburo member and secretary of the Central Committee of the Socialist Unity Party of Germany (SED), and Vu Oanh, secretary of the Central Committee of the Communist Party of Vietnam (CPV).

Guenter Mittag informed Vu Oanh of the socio-economic situation in the G.D.R. in the implementation of the resolutions of the SED's 11th Congress as well as the fundamental tasks of the G.D.R. in the realization of the SED's economic strategy and the preparations for the 12th SED Congress.

Vu Oanh conveyed the best regards from General Secretary Nguyen Van Linh to General Secretary Erich Honecker and briefed G. Mittag on the endeavours of the Vietnamese communists and working people in implementing the renovation policy worked out by the CPV's 6th Congress and the resolution of the Sixth Plenum of the CPV Central Committee.

The two sides praised the satisfactory development of the economic, scientific, and technological cooperation between the two countries and pointed to the favourable conditions for further developing and strengthening this cooperation in the years to come.

Signing of 'GDR-CSSR Youth Scheme' Reported

AU1906172289 East Berlin NEUES DEUTSCHLAND in German 15 Jun 89 p 2

[ADN report: "The GDR-CSSR Youth Scheme Opens Up New Prospects"]

[Text] East Berlin—In a letter to Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany and chairman of the GDR State Council, and Milos Jakes, general secretary of the Central Committee of the Czechoslovak Communist Party, the rectors of the Karl-Marx-Stadt Technical University, Friedmar Erfurt, and of the Plzen Technical University, Franitsek Planicka, welcomed the signing of an agreement on the GDR-CSSR Youth Scheme as a significant contribution to the far-reaching new social challenges of our time. They expressed the conviction that this document opens up new prospects for further cooperation between the two universities. Within the framework of the friendship treaty between the Karl-Marx-Stadt Technical University and Plzen Technical University, which has existed for 30 years, intensive cooperation is developing, with great economic efficiency for the national economies of both countries, on the basis of specific work plans. As a result of the close cooperation between science and production, the industrial partners of both institutions apply the findings obtained from the research work of the youth research collective in production after a short period of introduction.

Both rectors stress that great importance is accorded to the inclusion of young scientists and students in cooperation. They undertake to further develop cooperation in the spirit of the GDR-CSSR Youth Scheme. To achieve this, an agreement on scientific-technological collaboration on the basis of cooperation and direct relations, a joint colloquium on problems in the drafting of documents for teaching purposes, and the joint promotion of young scientists through the purposeful use of part-time students and working students are planned. In this way, both universities want to make a contribution to promoting close cooperation between young people in both countries in the field of science, technology, teaching and studies, for the strengthening of socialism and friendship among peoples.

Kleiber Receives Bulgarian Official 14 Jun

AU1906183789 East Berlin NEUES DEUTSCHLAND in German 15 Jun 89 p 1

[ADN report: "GDR and Bulgaria Strengthen Economic Cooperation"]

[Excerpt] East Berlin—Guenther Kleiber, first deputy chairman of the GDR Council of Ministers and member of the Politburo of the Central Committee of the Socialist Unity Party of Germany, received Minister Krustyu Stanilov, chairman of the Association for Transport, Agricultural, and Building Technology, on Wednesday [14 June].

During the friendly meeting, Guenther Kleiber briefed his guest on the many and varied initiatives of the working people in preparation for the 40th anniversary of the founding of the GDR, and explained the basic tasks in implementing the economic strategy in view of the 12th SED Congress. Krustyu Stanilov elaborated on the experiences in accelerating the socioeconomic development of the People's Republic of Bulgaria and the preparations for the 45th anniversary of the socialist revolution in Bulgaria.

Both politicians affirmed the joint position of their countries in preserving peace and in implementing the policy of the Warsaw Pact states, aimed at further disarmament. It is important to make the change for the improvement of the international situation lasting and irreversible by continuing the disarmament process.

On the basis of the fundamental agreements that were concluded by the highest representatives of both states, Erich Honecker and Todor Zhivkov, in 1987, they held an exchange of views on the state of the current projects of industrial cooperation between the two countries. Both sides paid tribute to the high level of economic relations between the GDR and the People's Republic of Bulgaria, and stressed their interest in further strengthening economic cooperation, particularly in the field of the construction of heavy machinery and installations, in the construction of agricultural machinery and transport technology. [passage omitted]

Cooperation With Bulgarian Machine Industry

AU1906193589 East Berlin NEUES DEUTSCHLAND in German 14 Jun 89 p 2

[ADN report: Cooperation With Bulgarian Machine-Building Industry"]

[Text] Berlin (ADN)—Issues of economic and scientific-technological cooperation with Bulgarian industrial partners in order to effectively develop transportation, shipment, and storage processes, were discussed by Dr Hans-Joachim Lauck, minister of construction of heavy machinery and equipment, and Krustyu Stanilov, chairman of the Transport, Agricultural, and Construction Technology Association of the People's Republic of Bulgaria, on Tuesday [13 June]. They focused on Bulgaria's delivery of industrial trucks to the GDR according to schedule. In connection with mutually beneficial tasks of specialization and cooperation, measures were laid down to implement the deliveries as stipulated by contract, especially as regards the supply of spare parts and the further development of products.

On the same day, Gerhard Trautenhahn, minister of construction of general machinery, agricultural machinery and vehicles, and the Bulgarian guest discussed opportunities to develop specialization and cooperation from 1991-95 in, among other things, medical, weighing, and household refrigeration technologies. The interest of both sides in increasing direct cooperation between GDR and Bulgarian combines and enterprises, especially in the development, application, and exchange of key technologies, such as microelectronics and laser technology, was stressed.

Economic Relations With Portugal To Expand

AU2006074989 East Berlin NEUES DEUTSCHLAND in German 15 Jun 89 p 2

[ADN report: "Government Agreement Has Established Favorable Climate"]

[Excerpts] East Berlin (ADN)—On Wednesday [14 June], in Berlin, Foreign Trade Minister Gerhard Beil received Miguel Horta e Costa, Portuguese state secretary for foreign trade. The interlocutors stressed that trade and economic cooperation are making an essential contribution to developing the overall relations between the GDR and Portugal and, beyond that, to strengthening trust and detente in Europe. With the signing of the agreement on economic, industrial, and technical cooperation between the governments of the two countries in October 1988, favorable preconditions were established for raising the level of goods exchange and economic cooperation. On this basis, the interlocutors discussed possibilities for the further shaping of trade and economic relations, and agreed on specific measures to promote trade between enterprises of the two countries.

Miguel Horta e Costa stressed Portugal's interest in developing economic cooperation with the GDR. [passage omitted]

On the occasion of State Secretary Miguel Horta e Costa's visit, an agreement on the development of cooperation was signed by the GDR Foreign Trade Chamber and the Association of Portuguese Industry (AIP), which is aimed at supporting the enterprises and firms of the two countries in deepening trade and cooperation relations.

Fischer Receives Portuguese State Secretary

AU2006111189 East Berlin NEUES DEUTSCHLAND in German 17-18 Jun 89 p 5

[ADN report: "GDR and Portugal Pay Tribute to Progress in Cooperation"]

[Text] East Berlin (ADN)—On Friday [16 June], GDR Foreign Minister Oskar Fischer received Miguel Horta e Costa, state secretary for foreign trade of the Portuguese

Republic, for a talk. Both interlocutors paid tribute to the progress achieved in the mutually beneficial cooperation between the GDR and Portugal and advocated the continuation of the constructive dialogue between the two states.

State Secretary Horta e Costa affirmed the his government's political will to expand and deepen the bilateral relations with the GDR, in particular in the economic field. This is also an important contribution to safeguarding peace and to consolidating the trust between the states and peoples.

Oskar Fischer explained to his guest the comprehensive proposals of the GDR and its allies, which are aimed at radical disarmament. He pointed to the unilateral reduction measures of the Warsaw Pact states in the conventional area and expressed the expectation that NATO will respond constructively to these advance moves. The proposals for the reduction of conventional armaments in Europe, which were presented by U.S. President Bush, have to be made negotiable by NATO in Vienna. Delays in this respect hinder the speedy progress of negotiations, which is desired by everyone. It must not be permitted that the disarmament that has been achieved at great effort in one field be ruined by an arms buildup in other fields. The early start of talks on the elimination of tactical nuclear weapons is indispensable. Coexistence on our continent has to be determined not by more and more dangerous weapons and confrontation, but by trust and comprehensive cooperation while fully respecting the sovereignty of all states. The CSCE process offers a solid framework for such a future.

The meeting was attended by Pedro Martim da Cunha Veiga Madeira de Andrade, extraordinary and plenipotentiary Portuguese ambassador to the GDR.

Economic Talks Conducted With Spain in Madrid

AU2006112789 East Berlin NEUES DEUTSCHLAND in German 17-18 Jun 89 p 5

[ADN report: "Economic Talks Between the GDR and Spain in Madrid"]

[Text] Madrid (ADN)—Possibilities of further industrial cooperation between the GDR and Spain were discussed in Madrid. Helmut Dersch, state secretary in the GDR Ministry of Heavy Machinery and Installation Construction, conferred with Ramon Perez Simarro, general secretary in the Spanish Ministry of Industry and Energy, and other leading representatives of this Ministry and of the INI state-owned holding company, the state railroads, and the entrepreneurs' association, CEDE. On the basis of existing government agreements and accords, concrete steps for deepening the relations between GDR combines of heavy machinery and installation construction and Spanish companies were discussed.

Economic, Trade Relations With Angola Discussed

AU2006111389 East Berlin NEUES DEUTSCHLAND in German 17-18 Jun 89 p 2

[ADN report: "Positive Development of Relations Between the GDR and Angola"]

[Excerpts] East Berlin (ADN)—On Friday [16 June], Gerhard Schuerer, candidate member of the Central Committee of the Socialist Unity Party of Germany, deputy chairman of the Council of Ministers, and chairman of the GDR State Planning Commission, had a friendly meeting with Henriques da Silva, minister of planning of the People's Republic of Angola and chairman of the Angolan side of the GDR-People's Republic of Angola Joint Economic Committee.

They discussed topical questions of the mutual economic relations. The interlocutors stressed the concurrence of the GDR and the People's Republic of Angola on the basic issues of international affairs, in particular concerning the situation in southern Africa. The expressed their determination to continue to use all opportunities for economic cooperation that is based on mutual advantage. [passage omitted]

On the same day, the chairmen of the Joint Economic Committee of the two countries discussed topical questions of economic and trade relations in Berlin. Wolfgang Rauchfuss, deputy chairman of the GDR Council of Ministers, and Minister da Silva agreed that the cooperation of the countries, which are linked by friendship, has undergone a generally positive development since the last plenary session of the Economic Committee in January 1987.

Wolfgang Rauchfuss stressed that the GDR considers the People's Republic of Angola an important trading partner. [passage omitted] Both sides stressed that the economic and trade relations between the GDR and the People's Republic of Angola can be further expanded and developed. The ensuing tasks were discussed in detail.

Hoefner Delivers Speech on 1988 Budget

AU1806145389 East Berlin NEUES DEUTSCHLAND in German 9 Jun 89 pp 4-5

[Speech by Finance Minister Ernst Hoefner at the People's Chamber Session in Berlin on 8 June: "Increasing Economic Capacity—A Solid Foundation for a Rising Standard of Living"]

[Text] Dear Comrade General Secretary, dear Comrade President, distinguished deputies:

The 1988 budget report that has been presented here convincingly demonstrates how our GDR has made further progress on the course of the main task in its unity of economic and social policy as the core of the economic strategy in implementing the decisions of the 11th Congress of the Socialist Unity Party of Germany [SED].

The national economic development is marked out as a central field of our social policy by dynamism, stability, increasing efficiency, and quality. Our country's increasing economic capacity is a solid foundation for the rising standard of living, for social security, full employment, a high level of education, and free preventive health care. Only the growth of the national income, which is based on our own performance, expands the leeway for this. Only that which we achieve and work for together can be distributed. These basic statements by Comrade Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, at the seventh SED Central Committee session are also substantiated by the facts of the 1988 budget report.

Distinguished deputies, on the basis of the produced national income, which rose by 3 percent in 1988, we achieved revenues of the state budget that were M9.3 billion higher. We achieved total revenues of M269.7 billion. Thus, the 1988 state budget plan was fulfilled by 101.1 percent. Total expenditure amounted to M269.5 billion, which corresponds to a plan fulfillment of 101.1 percent.

Despite additional expenditures in the national economy, which resulted from changes on the foreign markets, from agricultural results due to weather conditions, and from still existing unjustified differences in performance and efficiency, it was possible to achieve a balanced budget in 1988, too. The gain of additional profits and the economical use of assets in a great number of combines that work well were of utmost importance for this.

The surplus fixed by law in the 1988 state budget plan was ensured and exceeded.

The results achieved in 1988 reflect high readiness for work, intensive work, and innovative spirit of the working people in all fields of the national economy in the socialist competition that is led by the trade union. The varied economic initiatives of the young people are of importance on the national economic balance sheet.

Cooperation With the USSR Is a Decisive Base

A decisive base of our successful advance is the cooperation with the Soviet Union, which is increasingly determined by the comprehensive application and use of the key technologies. Economic and scientific-technological cooperation with the other socialist countries was further deepened.

The Council of Ministers stresses that the safeguarding of a balanced state budget places increasing demands, above all, on management and efficiency and thus on steadily increasing income and on consistently implementing the socialist thrift regime.

With fulfilled production plans, with the reduction of costs, and the improvement of the input-output ratio, everyone at his workplace decides practically every day to what extent our national economy receives means to realize the goals in the economic and sociopolitical area.

Distinguished deputies, in line with the character of our state and socialist ownership of the most important producer goods, in 1988 more than three-fourths of the state budget revenues came from the state-owned economy. The basis for this was the fact that in most of the combines and enterprises the performances and the input-output ratio were further improved.

With a view to implementing the 1989 plan and preparing the 1990 draft plan, it is stressed that: An essential source of the increase in efficiency consists in the application of key technologies as the basis of comprehensive intensification and rationalization. Thus, in the Berlin "7 October" Machine Tool Combine all main targets of performance assessment were exceeded and a high increase in performance and efficiency was achieved compared with the year before. Net profit rose by 9.1 percent. The reduction of material costs by 3.9 percent also contributed to exceeding the planned net profit. The basis of this is high economic results from science and technology, comprehensive utilization of microelectronics, as well as production renewal according to plan. More than 900 jobs were saved, and people were freed for other tasks through effectively applying CAD/CAM technology and robot technology. These results are also continuing in 1989. By the end of May, all main targets of performance assessment were fulfilled.

Particular tribute is to be paid to the contribution of those combines that achieved a cost reduction of 3 percent and more goods production per M100 in 1988. Among them are the Carl Zeiss Jena and the Koenigshuette Technical Building Equipment, Foundry, and Oven Construction combines. Characteristic of the economical approach of these combines, is the fact that they also achieved high reduction rates in line with the plan during the first months of 1989.

We have to point out the 16 combines which successfully started working in line with the principle of comprehensive self-financing in 1988. These combines—on which 20 percent of industrial production and about one-third of the profit of industry are concentrated—made an essential contribution to the 1988 efficiency increase through higher dynamism and above-average growth rates in labor productivity.

Economical Calculation Determines Actions at All Levels

This makes clear what Comrade Erich Honecker stressed at the seventh SED Central Committee session: Every director general, every director of a company now feels even more strongly that he cannot simply demand financial means from the state, but is responsible himself for the amount of means available for the development of the combines and for how they can be used with the largest possible economic benefit. Economical calculation, based on the plan targets, increasingly determines management work at all levels.

The Council of Ministers stresses that there is primarily one conclusion to be drawn from the generally good balance sheet: Everywhere we have to work by following the best standards. This is all the more so, because in 1988 and also during the start of the 1989 plan, a number of combines and enterprises have not been able to fully reach the economic targets set by the plan. They accomplished their performances with higher costs than planned, which caused national economic losses. In 1988, prime costs in industry were reduced by 1 percent and in the construction sector by 0.6 percent, which did not completely fulfill the tasks contained in the plan.

Higher Contribution of the Combines to the Growth of the National Income

In order to ensure the fulfillment of the targets set for 1989, effectiveness in production by the required date of investment and rationalization projects, high economic results in scientific-technological work, and continuity of production, in particular through strictly managed cooperation relations, are of decisive importance.

Tapping reserves for a high growth of the national income also means preventing the emergence of losses from the very start. This applies, above all, to those costs that develop because of rejects, refinishing work, and guarantee services. This also applies to losses caused by excessive stock, excessive expenditure for storage and transportation, and other costs, which result from bad management.

The Council of Ministers stresses as the basic task for the overall plan fulfillment in 1989: to purposefully and lastingly reduce the still existing differences in observing the planned costs and in fulfilling the profit plan.

In the combines, the task in implementing the decisions of the seventh SED Central Committee mainly consists of intensifying the struggle for high performances per workday and directing all initiatives at increasing their own contribution to the largest possible available national income.

M89.1 Billion for Investments

Distinguished deputies, linking the achievements of the scientific-technological revolution with the advantages of socialism moves further into the center of our planning. In 1988, M11.9 billion were used for science and technology in general, including M8.6 billion from the funds of the combines. The state budget paid M3.3 billion, mainly for state plan projects for the development of key technologies and their comprehensive application, as well as for basic research projects.

If one draws conclusions from the implementation of the 1988 plan, it proves necessary to make the economic issues even more the starting point and goal of scientific-technological work. A basic demand on management work consists of clearly deriving the tasks from the strategy of the renewal process in every combine and to consistently adjust production to the domestic demand and exports. Experience shows that these requirements are best fulfilled in those places where the forces and means are concentrated and fragmentation is not permitted.

It corresponds to the demands of the economic strategy to aim research cooperation between production and science, which has proved its worth, at such top achievements that lead to basic innovations in the national economy in the medium and long term, that are of international, top standard at the time they become effective on the market, and can be utilized with economic benefit.

Important things were achieved last year concerning the modernization and expansion according to plan of the material-technical basis of the national economy and the continuation of the social policy. For the investments carried out in 1988, a total of M89.1 billion were used, about 14.3 billion of which came from the state budget; 67 percent of the means for investments in the combines and enterprises of industry were used for socialist rationalization. This is the main method for achieving a tangible increase in productivity and performance throughout the national economy and with the lowest possible input.

The experiences from the implementation of the 1988 plan also show that wherever rationalization is carried out in the correct socialist way, progress is made, productivity is increased, quality rises, costs decrease, and work becomes easier, more varied, and more interesting. This stresses how important it is in every enterprise to implement with high economic efficiency the rationalization projects that have been set in honor of the 40th anniversary of the founding of the GDR.

It is a requirement of intensification to gain from every mark invested, a higher increase in the available national income.

The Council of Ministers stresses the necessity of decisively improving management, planning, preparation, and implementation of the investments. In this connection, priority is given to projects that are contained in the investment state plan and are important for the national economy, through which products and technologies that determine world standards can be realized within short periods and with higher economic yield.

Exact Calculation of Costs

For every new product and every new technology, it is necessary to set high targets for saving work time and labor. For this purpose, exact calculation of costs and results is indispensable when preparing the investments, as well as during their implementation and accounting.

For instance, the establishment of the flexible automated large-part manufacturing facility in the Dresden Micromat state-owned enterprise, a project in honor of the 40th anniversary of the founding of the GDR, corresponds to the high demands placed on the increase in performance and efficiency. This technology has an above-average economic effect, such as the increase in labor productivity to more than 500 percent and a considerable increase in goods production and exports.

Distinguished deputies, great efforts to implement the decisions of the 11th SED Congress and the 13th Peasants Congress are being made by the cooperative peasants and the workers of agriculture, forestry, and the foodstuffs industry. The year 1988 brought us losses in many respects because of weather conditions. Nevertheless, with a total harvest of about 10 million tonnes of grain, the remarkable level of yields achieved since 1982 was not undercut. In time, the Council of Ministers took the measures necessary to ensure stable supplies to the population on this basis.

On the other hand, it cannot be overlooked that the contribution of agriculture and forestry to the national income is below that of the past years. The performance and efficiency targets were not reached. Additional costs were incurred in a great number of cooperatives and state-owned farms for crop production due to ploughing up and recultivation, as well as in livestock production due to unplanned fodder transports. As a result, there were lower economic results in agriculture, which also had consequences for the economic tax to the state budget. This amounted to M4.2 billion, which is M1.6 billion less than planned.

At the same time, it was proved that the tested agricultural and alliance policy of the party of the workers class and the government will be continued. Thus, the enterprises and cooperatives of agriculture and the foodstuffs industry received M9.4 billion from the state budget for the purposeful promotion of production. This amount also contains price subsidies for important producer goods, in particular for high-quality fodder.

For the enterprises and cooperatives of agriculture it is important to further increase labor productivity and to reduce production input. The experiences of the work in 1988 and the implementation of the 1989 plan, teach us to link the daily struggle for increasing performances in the fields and in the animal sheds, with further reducing labor input and preventing losses. In agriculture, too, it is necessary to tap still existing reserves and to increase the contribution to the national income through increasing efficiency.

Distinguished deputies, at the sensitive borderline between Warsaw Pact and NATO, the GDR consistently lives up to its responsibility as a state of socialism and peace, in full agreement with the will of its citizens. Proceeding from this, in 1988, M15.7 billion, that is, 5.8 percent of the total state budget expenditure, were used for national defense. A considerable contribution within the framework of the coordinated actions of the Warsaw Pact states for peace, is the decision of the GDR National Defense Council to unilaterally reduce the National People's Army by 10,000, to reduce national defense expenditure by 10 percent, and to give the structure of the National People's Army an even stricter defensive character. We are for disarmament by deeds. This is also proved by the goodwill measures announced on 27 April. The active peace policy of the USSR, together with the other Warsaw Pact states, is again reflected in the Warsaw Pact states' appeal to the NATO member states on 22 May.

219,243 Apartments Built Last Year

Distinguished deputies, the 1988 budget report shows the supreme people's representative body the important contribution that was made by the state budget to the implementation of the decided social policy. On the basis of the steadily increased capacity of our national economy, the GDR people have achieved an unprecedented standard of living.

The expenditures of our state to implement the social policy that has been decided by the party and the government, reflect the unity of work and deed that can be felt by every citizen. They convincingly illustrate the firm basis of social security and protection for everyone. Distinguished deputies, let me explain this a bit more in detail by giving examples from selected fields.

In consistent implementation of the housing program—the core of the sociopolitical program—in its unity of new construction, reconstruction, modernization, and preservation, in 1988 219,243 apartments were built, which is 7,781 in excess of the plan. At the same time, this is the highest annual result so far. If one takes the period since the eighth SED Congress, more than 9 million citizens—and thus, more than half of the GDR population—received new and modernized apartments. Thus, the goal of the revolutionary workers movement—to solve the housing matter as a social problem—is being put into practice step by step by 1990. Setting and reaching goals of such scope and sociopolitical effect is possible only in socialism, Comrade Erich Honecker, general secretary of the SED Central Committee, stressed at the seventh Central Committee session. The development in the capitalist countries, in particular the drastic cutbacks of social housing construction and excessive rents, show this in a very convincing way. As a result, about 350,000 apartments are empty in the FRG. On the other hand, studies made for the Bundestag noted that about 1 million citizens lack housing.

In 1988, M30.2 billion, including M16 billion from the state budget, were used to implement the housing program.

The housing program and the housing policy are essential elements of social security in our country and will remain so. This requires us to deal even more responsibly with the money worked for by our working people. This includes sticking to the norms for construction costs and preventing the means planned for housing construction from being used for other purposes.

Social Security—Great Achievement of Socialism

The low and stable rents in our country of M0.80 to M1.25 per square meter and month make sure that living in an apartment is not a question of money for the GDR citizens. Accordingly, about two-thirds of running expenses of a new state-owned or cooperative apartment are covered by the state budget.

By means of purposeful comparative performance, appraisals among state-owned enterprises of the housing sector and also among the cooperatives, and through continuous exchange of experiences, it is necessary to overcome still existing unjustified differences in the input-output ratio in managing the apartments, and to make further reserves usable for the welfare of our citizens.

The climate of social security and protection of our country's citizens also includes stable consumer prices for basic consumer goods, rates, and services. In 1988, M49.8 billion from the state budget were used for this. This means, for instance, a price subsidy from the state budget of about M84 for every purchase of foodstuffs for M100.

Thus, the conditions in the household of every family clearly show that social security for the citizens emanates from the economic and social policy of our socialist states. It is a great achievement of socialism in the GDR, which has to be worked for every day anew.

Distinguished deputies, providing all children of the people with a good education and conveying a firm class standpoint, has become a militant goal of the workers class turned reality in the GDR. In the same way, our education system successfully masters new tasks, which result from the increasing demands on generally educated socialist personalities. M15.4 billion in 1988, twice as much as in 1971, was used for public education, vocational training, adult training, and for the university and technical school sector.

The state budget provided M6.5 billion for the 10-grade polytechnical secondary schools, the expanded secondary schools, secondary-school boarding schools, as well as special schools and schools for handicapped children. This includes M797 million for ensuring healthy and tasty meals for school children, for which the parents only have to pay M0.55 per meal.

In 1988, M3.7 billion were paid by the state budget for universities, colleges, and technical colleges, as well as for their boarding schools and cafeterias, for grants, and other expenditures of the university and technical school sector. Thus, last year about M13,000 were used per student in the university sector.

Distinguished deputies, it is part of the humanist nature of our socialist state to ensure free medical care and treatment, including stays in hospitals and spas.

In 1988, M17.8 billion were provided by the state budget to the health and social sector. This includes M3.4 billion for payments for nonrecurring support upon the birth of a child and for the monthly children's allowance. There being 358,000 places in nurseries, in 1988, M3,952 on average were paid by the state budget per place.

High Subsidies for Social Insurance

Social insurance is very important for medical and social care for the citizens. In 1988, it provided services amounting to M36.3 billion, which became possible because M17.5 billion of the subsidies were provided by the state budget according to plan. This covered 48 percent of the total expenditures of social security.

Care for the veterans of work, the elderly and handicapped citizens has always been considered by our state as a honorable duty. Thus, in 1988, M17.2 billion were paid for pensions according to plan. It is also ensured that the means necessary for the most comprehensive pension increase in the history of our Republic, which will come into force as of the end of 1989, will be available. The state budget expenditures for stays in old people's homes and nursing homes amounted to M1.1 billion in 1988. The state paid an average of M7,668 per place. Furthermore, the state budget provided M247 million for care for elderly citizens by the People's Solidarity. Thus, the policy for the welfare of all people is also felt by the elderly citizens and by citizens in need of care.

Outside our borders, in many countries of the world, every citizen's right to protection of his health is only a demand and in no way social reality. Thus, in the FRG, the scope and quality of medical care are increasingly becoming dependent on the individual's prosperity because of the "health reform." Additional burdens for every individual arise when he sees a doctor or needs pharmaceuticals and other medicines and aids. Against this background, the advantages of the GDR health system are becoming all the more obvious.

Our economic and social policy is most closely linked with the development of a varied intellectual-cultural life of the citizens and their meaningful leisure time. For this purpose, our socialist state is providing increasing material and financial funds for culture, sports, recreation, and youth tourism. In 1988, M6.3 billion were provided by the state budget.

The promotion of young couples through state loans with more favorable conditions is greatly appreciated, in particular by our young citizens. In 1988, more than M250 million were provided for the remission of loans after the birth of children and for the payment of interests.

Planned Funds Always To Be Used as Effectively as Possible

All these expenditures can be seen in detail in the budget report you have before you. Even more detailed than in past years, it is publicly reported where the financial means of our state come from, and where they go in line with the unity of economic and social policy.

Because only the things that we work for and achieve together can be distributed, in the further implementation of the 1989 plan, too, it is necessary to strengthen the economic capacity of our national economy, to use existing means economically, and to utilize the planned funds as efficiently as possible. This does not only go for the producing sectors, but for all social sectors, such as, the education sector, culture, and sports. In this spirit, in the 40th year of the existence of our state, it is necessary to mobilize all forces to increase the national income and the distributable final product.

Distinguished deputies, the local people's representative bodies and their councils have achieved good results in implementing their budget plans through high performances in close cooperation with the enterprises and socialist cooperatives.

In 1988, revenues in the local budgets, including the shares in the revenues of the central budget, were fulfilled with M56.5 billion, that is, 100.6 percent of the annual plan. Expenditures amounted to M56.3 billion, that is, 100.4 percent. Additions to the funds of the local representative bodies in line with the state budget regulation were made, particularly in towns and villages.

The analysis of economic activity in the field of the local organs of the state power shows that there are great initiatives in socialist competition to tap reserves, promote comparative performance appraisals, and generalize best experiences. However, it was not possible in all bezirks to make up for losses of revenues regarding the economic tax of agriculture, and the efficiency backlogs in the local construction sector through these good performances.

In a broad democratic discussion, the local people's representative bodies expressed their views on the fulfillment of the 1988 budget plans. At the same time, measures for the more efficient implementation of the 1989 budget plans were decided.

The Council of Ministers expects that further efforts will be made in the future to increase the contribution to the national income by the locally administered combines and enterprises, and to ensure better coverage of the planned expenditures through revenues that have to be gained by the combines and enterprises through their own responsibility. Stable financial preconditions for a good socialist local policy are to be ensured, particularly by this method.

Varied Promotion of Crafts

It is one of the basic requirements of our state's local policy to further increase the services and repair work for the population. For this purpose, varied state promotion measures for the artisan producer cooperatives, private craftsmen, retail traders, and restaurant owners, as well as for other small businessmen, are applied.

They include favorable loan and interest conditions and tax privileges for the promotion of repairs, services, and supplies to the population. In 1988, a total of M225 million were supplied by the state budget for these promotion measures. They contributed to a 106.1 percent increase in the craftsmen's repairs and services for our citizens as compared with 1987, and the performance of private retail traders and restaurant owners increased by 105.8 percent. As a result of this performance development, the tax revenues from craftsmen and small businessmen planned in the local budgets were fulfilled by 101.2 percent. In their further work, the local councils and their specialized organs and the chambers of crafts, trade, and business have the task of tapping additional reserves for better supplies to the population by the craftsmen and small businesses.

Socialist local policy, which is close to the citizens, is reflected in varied activities and performances within the framework of the "Beautify our Towns and Villages: Join In!" citizens' initiative. They were and are directed at improving the housing, working, and living conditions of the citizens, establishing new places in children's institutions, and implementing measures of regional rationalization. Outstanding examples of this can be seen in many towns and villages of our country.

This year, the initiatives of the cooperatives of agriculture to increasingly use financial funds to repair local roads have to be particularly stressed. For this purpose, 106 local contracts for repair worth M12.9 million were concluded in Schwerin Bezirk, for instance.

Election Result Shows Citizens' Support for Our State

The Council of Ministers expresses the conviction that particularly in the 40th year of our state's existence, the towns and villages have to make an increasing contribution to the state revenues on the basis of their own rising performances. The available means are to be used very efficiently to improve living conditions in the regions and for the citizens' welfare. The regional requirements, the development of performance and efficiency of the enterprises and cooperatives, and the citizens' interests are to be linked in a positive way. The great initiatives in preparation for the local elections and the citizen's support for our state that was expressed in the election results, are to be used for continuous participation in work and in responsibility in order to make one's own village and one's own town even more beautiful, attractive, and comfortable.

Distinguished deputies, the Council of Ministers presents to you the 1988 budget report after thoroughly checking the annual financial statements of accounts of the state-owned combines and enterprises and of the banks and credit institutions. The checks by the State Financial Auditing Authority show that state order and plan and financial discipline were further consolidated.

Wherever it was noted that initiated measure are still insufficient to live up to the increased demands on order, legality, and thrift in proving and using material and financial funds, the necessary instructions for changes were given and enforced.

Distinguished deputies, in summary, we have a positive overall balance sheet, which convincingly fits into the progress achieved in the further shaping of the developed socialist society in the GDR.

I very cordially thank you for your attention and I ask you to approve the 1988 budget report and the Council of Ministers' actions.

Declaration Adopted by Pedagogical Congress

AU2006074589

[Editorial Report] East Berlin NEUES DEUTSCHLAND in German on 16 June on page 1, under the headline "Declaration of Intent of Participants of Ninth GDR Pedagogical Congress: Education of Our Youth in the Spirit of Socialism, Peace, Progress, Proletarian Internationalism, Love and Loyalty for Our Fatherland," carries the 1,200-word Declaration of Intent adopted by the participants in the Ninth Pedagogical Congress which took place from 13-15 June.

The participants express the readiness to do everything "in order to educate our children, our youth in the spirit of socialism, peace and progress, of proletarian internationalism, in the spirit of love and loyalty for our fatherland." "We know that, as a result of the conditions of tough class struggle, increased ideological discussions about the future of mankind, and the challenges of the scientific-technological revolution, the successful implementation of the social strategy of the party of the workers class poses new tasks concerning the quality of the education of the young," the declaration continues.

"More than ever before our socialist society needs the solid knowledge and skills of every citizen, it needs his conscious commitment, it needs every talent. This testifies to the deeply human nature of our society, its character as a socialist society, in which the Marxist-Leninist education ideal, its deep humanist nature, is being realized increasingly convincingly," the participants state. "One of the advantages of the socialist school is its firm and comprehensive incorporation in our society. This advantage entails the obligation to do everything to link pedagogical work even more closely with life, with social practice, with the processes in science and technology, with the struggle of all working people to further shape the developed socialist society," the declaration stresses.

Pedagogical Congress Ends

AU2006122189 East Berlin NEUES DEUTSCHLAND in German 16 Jun 89 p 3

[ND report: "Three Days of Discussions Ended at Berlin's Palace of the Republic"]

[Excerpt] East Berlin—The Ninth Pedagogical Congress of the GDR ended on Thursday [15 June], in Berlin, after 3 days of fruitful discussions. Following the discussions, during which 36 speakers took the floor, the Thaelmann pioneers and the members of the Free German Youth conveyed greetings that testified to the optimism of the young generation and their alliance with the party of the workers class. After the delegates had unanimously adopted the declaration of intent, Education Minister Margot Honecker made a concluding speech.

The third day of discussions at the Palace of the Republic started with the joint singing of youth and folk songs. On this day, the 4,300 participants again welcomed very warmly the delegation of the Politburo headed by Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany and chairman of the GDR State Council. The delegation included Willi Stoph, chairman of the GDR Council of Ministers; Horst Sindermann, president of the People's Chamber; and the members and candidate members of the Politburo, Hermann Axen, Hans-Joachim Boehme, Werner Eberlein, Kurt Hager, Joachim Herrmann, Egon Krenz, Siegfried Lorenz, Guenter Schabowski, Harry Tisch, Inge Lange, and Gerhard Mueller. [passage omitted]

Grosz Criticizes Imre Nagy Funeral Orations

LD2006171989 Budapest MTI in English
1643 GMT 20 Jun 89

[Text] Budapest, June 20 (MTI)—On Tuesday, Karoly Grosz, general secretary of the Hungarian Socialist Workers' Party [HSWP], met members of the European committee of the European Democratic Union (EDU), holding a session in Budapest. Mr Grosz gave briefs on Hungary's current development and the endeavours of the HSWP. He emphasized that the HSWP, keeping the interests of the nation in view, made every possible effort to guarantee the development and prosperity of the country and the consistent and balanced implementation of political and economic reforms.

Meeting journalists after the talks, Mr Grosz commented on the funeral ceremony of June 16 as follows: It is needless for a party to evaluate an act of reverence. At the same time I can say that those who paid final tribute to the deceased were disciplined and deeply moved. I must also emphasize that some of those who delivered funeral addresses used this act of reverence for political propaganda. I think they were not moderate enough towards the deceased and the mourners and did not sufficiently keep the interests of the country in view.

Grosz on Nagy Funeral, Personnel Changes

LD2006181389 Budapest Domestic Service
in Hungarian 1630 GMT 20 Jun 89

[Interview with Karoly Grosz, general secretary of the Hungarian Socialist Workers' Party, by representatives of NEPSZABADSAG, MTI, and Hungarian Radio given in Budapest on 20 June; summary of questions by Budapest Radio "Evening Magazine" reporter Martin-Kovacs; Grosz responses recorded]

[Text] [Martin-Kovacs] After the consultation of the European Democratic Union in Budapest, Karoly Grosz gave a brief interview to representatives of NEPSZABADSAG, MTI, and Hungarian Radio. Istvan Zalai from NEPSZABADSAG asked that since no assessment had yet been voiced by the MSZMP in the matter of the 16 June funeral of Imre Nagy and his fellow martyrs, what was his opinion on this event?

[Grosz] I think that the party should assess it as a kind of act of reverence. At the same time, I would like to say that we were extremely pleased to see the discipline and emotion with which those who gave final respects said farewell to the deceased. At the same time, we feel that several of those who delivered funeral speeches used the act of reverence for political propaganda; I feel that they were not moderate enough vis-a-vis the deceased and the mourners, and they did not keep the country's interests sufficiently (?in mind).

[Martin-Kovacs] The next question pertained to the Friday session of the Central Committee.

[Grosz] Now, we shall decide on the organizational system in which we shall convene the party's next congress and when it will be held. It is obvious that when shaping the organizational mechanism of preparations for the congress, it is also necessary to take into account the domestic political situation, because the organization does not function on its own, but rather in a given political medium. Thus, there will be discussion of topical issues of domestic politics, of the party's internal situation, of the tasks the party faces until the congress—because it will be the congress that must determine the tasks after the (?congress).

[Martin-Kovacs] On behalf of Hungarian Radio, political public opinion is of the view that since an opinion has been voiced that this will be an extremely important Central Committee session, the conclusion is usually drawn that there will also be personnel changes. Should this be expected now on Friday?

[Grosz] Without a doubt. Well, the last Central Committee session delegated a working committee, a nominating committee headed by Comrade Jeno Fock, and they now must present their report. The place of secretaries [as heard] of the Central Committee is free, vacant, and we cannot go to the congress if the apparatus is not ready with preparatory work for the congress. Apart from that, it is generally known that the Central Committee relieved Comrade Kadar from his position as party chairman for health reasons. Thus, obviously, the nominating committee also has to make a recommendation on this. The nominating committee is working; I know nothing about its work. It is not I to whom they owe an account, but the Central Committee. Thus, they will make the proposal.

Editorial Views Nagy Funeral as 'Purification'

AU2006145489 Budapest MAGYAR HIRLAP
in Hungarian 19 Jun 89 p 3

[Editorial by Andras Erdelyi: "Purification"]

[Text] For the third time within a little more than 1 year, Hungary has shown something great to the world! Generations with worn-out nerves which lived through historical tragedies, and generations whose backbones were weakened in a world of lies, half-truths, and ill-willed compromises, generations without moral support gave evidence of a wonderful ability here and now, I repeat: on 27 June 1988, 15 March 1989, and now, for the third time, on 16 June 1989.

The police report published in the papers says the following: There was no disorder of any kind in Budapest on the day of the funeral. Whether they expressed it or not, every responsible citizen of this nation clearly feels the worries, terrible fears, and the nightmarish memories of events either experienced or just carried in one's genes, things that made this day paralyzingly fearful and later painfully touching, a day of purification.

What is it that has given power to this wonderful self-discipline and to this great ability for majestic reverence? Obviously, thinkers, writers, poets, historians, and people who see deeply in the soul of this nation will discover the hidden golden reserves of this ability and will show them to us. In his prosaic way, the recorder of daily events can do nothing else but try to draw his own conclusions from the signals given by the "chattering surface" of public life.

We know that something started in Hungary 1 year ago. We know that the incredible flow of events is questioning social policy elements that made up the basic principles of a system in deep crisis, principles declared as irrefutable so far. Here are some events of past weeks and months, chosen at random: A legislation process has begun which could provide a framework for the creation of a European constitutional state in Hungary, and this process already has tangible results like the chapter of the new draft constitution which deals with human rights; the reexamination of the chapter of the penal code dealing with crimes committed against the state; elimination of death sentences in political trials; and so on.... The conditions for a multiparty system have been created, and negotiations between the opposition and the ruling party have also begun. After 4 decades of suppression veiled by alibi activities, the press is now beginning to really play the role of reporting information.

No matter how encouraging and spectacular these changes are, changes that occasionally even exceed our widest progressive dreams, something has continued to bother us deep down in our souls, namely the hope that the history of past decades has proved once and for all that it is impossible to build a healthy and true society on distorted facts and historical lies! It is impossible to realize our dreams about a civil society with the moral burden carried by the policy of the last 3 decades! A Hungary of the future must get rid of this terrible heritage! This is primarily why the date of 16 June 1989 could become the date of a real moral boundary, the beginning of a new era, and of reconciliation in the history of our country.

However, anyone who is able to see how fragile our dreams about a society with a clean conscience are, should also have a sense of responsibility! Everyone should decide himself according to his own taste which speech reflected this sense of responsibility, from among the speeches delivered on this day of purification and in the hours of final reverence. Fortunately, today everyone has the right to create and express his own opinion.... It is comforting that most of the speeches chose the idea of reconciliation as one of their main lines of thought. However, there were also speeches that, although waving the banner of reconciliation, in fact were quite full of extremist lines suitable to stirring emotions and leading to confrontation. One cannot avoid the question whether one can start the process of national reconciliation by excluding and condemning the forces which—although they do not have a totally immaculate past—show readiness for a sincere reconciliation and unity?

Of course, the international press has also made its own judgment: by publishing sympathetic commentaries, keeping tendentious silence, or making seemingly deliberate editorial changes. For example, one of the most important press organs of a country that some speakers in Heros Square thought justified to praise publicly, began its report from Hungary by mentioning the demonstration that took place on the eve of the funeral, and not by reporting on the funeral. As we reported earlier, the demonstration in question was at the Soviet Embassy, at the embassy of a country that had the largest Army in 1956! Basically, the military balance of forces in this respect has not changed since. But the country itself did change! There are daily reports on the breathtaking dramatic struggle under way in that country. We know, and we must know that the final result of this struggle will also affect the fate and the future of our nation of 10 million people.

Is it correct to elegantly disregard this factor? Do we need the danger of a useless provocation against a big power, amid our risky historic changes that require extreme efforts? And finally: Is it correct to forget the relentless chronicle of the historic days on which we could finally express our heartfelt reverence with a delay of 3 decades? Therefore, we should not forget the basic facts either if we sincerely fear for our fragile dreams.

Radio Notes 'Gloomy Tone' in TASS Commentary

LD2006133189 Budapest Domestic Service in Hungarian 1000 GMT 20 Jun 89

[TASS commentary referred to in this item is published in the East Europe section of the 21 June Soviet Union DAILY REPORT]

[Excerpts] TASS commented on the events of 16 June. The Soviet Union is watching the Hungarian reform process with sympathy and hopes that the anti-Soviet outbursts will not disturb the future relations between the two countries. Jozsef Barath, Moscow correspondent for Budapest radio, reports:

[Barath] The political and economic reform as well as the evaluation of historical events and personalities are the internal affairs of Hungary, but the shaping of the international, including Soviet-Hungarian bilateral, relations is not. This is how TASS news agency writes in a commentary of considerably gloomy tone [meglehetoesen komor hangulatu] assessing from a Soviet point of view the events of the funeral of Imre Nagy and his associates, and the speeches made at the mourning celebrations. [passage omitted]

What can the correspondent add to all this on his own behalf?

The preparations surrounding the funeral had been reported here in Moscow with goodwill and sympathy, but the demonstration held by the radical wing of FIDESZ [Federation of Young Democrats] in front of the Soviet Embassy in Budapest already stamped its mark on the press commentary on the day of the funeral. It is hardly in doubt that the anti-Soviet outbursts in Hungary come in handy to the opponents of the reforms here. The Soviet conservatives have received new ammunition from the Hungarian opposition to open fire against the democratization process.

Gerasimov Clarifies Stance

LD2006154989 Budapest Domestic Service in Hungarian 1400 GMT 20 Jun 89

[Text] At today's news conference, our Moscow correspondent, Jozsef Barath, asked the Foreign Ministry spokesman about the TASS commentary on the 16 June burial in Budapest.

[Barath] The TASS evaluation of the burial of Imre Nagy and his comrades can be considered as the personal opinion of commentator Kondrashev; it does not reflect the official Soviet stance. Foreign Ministry Spokesman Gerasimov said this today at his news conference. In the rather sharply toned analysis, Kondrashev stated that the memorial service held on 16 June in Hungary did not facilitate national reconciliation. It was an occasion for anti-Soviet and anti-socialist attacks directed against the international obligations of Hungary and the Hungarian Socialist Workers Party. Kondrashev, in agreement with the Romanian and Czechoslovak evaluations, outlined that spurring the activism of the enemies of socialism endangers the foreign relations of Hungary.

In reply to my question as to what the official Soviet stance is, Gerasimov said:

[Begin Gerasimov recording in Russian with superimposed Hungarian translation] During the memorial service, certain speakers made anti-Soviet attacks. We naturally noticed these, but our stance is that these represent neither the stance of the Hungarian Government nor that of the Hungarian people. [end recording]

Charter 77 Message to Hungarians on Nagy

AU2006113989 Budapest MAGYAR NEMZET in Hungarian 16 Jun 89 p 5

[Text] The following document arrived from Prague, signed by Charter 77 Spokesmen Tomas Hradilek, Dana Nemcova, and Sasa Vondra:

Esteemed friends!

Today, on 16 June 1989, you are publicly paying your respects to the memory of Hungary's former premier, Imre Nagy, and his associates, executed 31 years ago on the basis of sentences passed by a pre-arranged trial. However, the real reason behind this judicial murder was that the victims of this trial had led the popular uprising against the Stalinist despotism in 1956 and they dared to oppose the Soviet Army sent to crush the uprising.

We regard the proper burial of the mortal remains of Imre Nagy and his associates as their patriotic rehabilitation and we are deeply convinced that their legal rehabilitation will also follow soon.

Nowadays, the events that took place in your country 33 years ago and which shaped your history are slowly being presented in their true perspective, recognizing that the road toward a better future always leads through the inevitable acceptance and acknowledgement of truth.

Together with you, in Imre Nagy we respect the modern symbol of your desire and efforts for freedom, democracy, and justice, namely the representation of universal values that also guide in our struggle for the renewal of our society.

Fire at Soviet Garrison in Tab Injures 'Many'

LD2006160589 Budapest MTI in English 1438 GMT 20 Jun 89

[Text] Budapest, June 20 (MTI)—On Saturday night, a fire broke out in the mess quarters of the Soviet Army garrison at Tab, part of the Soviet Southern Army Group temporarily stationed in Hungary.

Many Soviet soldiers were injured in the fire. Some of them were rushed to the central hospital of the Hungarian People's Army in Budapest and to Pecs, while others received treatment at the Southern Army Group's own hospital.

The cause of the fire is being investigated by a team of experts.

Nemeth Interviewed on CEMA, Relations With IMF

AU2006185589 Belgrade POLITIKA in Serbo-Croatian 18 Jun 89 p 1

[Dragoslav Rancic report entitled "Hungary Is in Crisis Because CEMA Is in Crisis" on an interview with Miklos Nemeth, chairman of the Council of Ministers of Hungary—in the Hungarian National Assembly in Budapest, 17 Jun]

[Text] Budapest, 17 Jun—The crisis of the structure of the Hungarian economy is more than just a financial crisis, although in proportion to its population the country has large foreign debts. The structure of its economy is in crisis because it is based on CEMA premises and CEMA is unfortunately also in crisis.

This is one of the basic views Hungarian Premier Miklos Nemeth voiced in a conversation with the POLITIKA correspondent. This is the first interview that the 41-year-old Hungarian premier has given to a Yugoslav journalist since he took over as the head of the Hungarian Government 6 months ago.

The interview took place in the Hungarian National Assembly immediately after the premier attended the ceremony to pay tribute to Imre Nagy and comrades in Heroes Square in Budapest.

Asked to assess the Hungarian economic position, particularly as concerns international economic groups and financial organizations, Premier Nemeth said that the crisis in CEMA has been aggravating the situation in Hungary.

This is why we have been advocating radical changes in CEMA which include a reform of prices and of the entire economic mechanism of the group, he said. The Poles and the Soviets advocate views that are close to ours and agree with the direction of the changes. The Czechoslovaks and Bulgarians support some elements of the reforms. However, national reforms in the member countries are needed before embarking on the reforms in CEMA itself.

Talking about the Hungarian position toward the EEC, Premier Nemeth started from the fact that Hungary is located in the center of Europe and that there is also a favorable climate for cooperation between Eastern and Western economic groups and their member countries.

We are trying to find the way out from the present situation because of economic necessity and not because of ideological reasons, he pointed out. If relations between these groups become better it will also be better for peace and security, because armies will be less involved in politics. Mikhail Gorbachev's policy has been paving the way toward that which also means better conditions for our cooperation with the West.

Relations With the IMF

In reply to the question about the present relations between Hungary and the IMF (which recently rejected a Hungarian demand for a new installment of the standby arrangement), Premier Nemeth said the following:

The cooperation between Hungary and the IMF is now useful and good. However, there have been some disagreements recently. The main problem lies in the fact that they ignore the fact that the Hungarian, Yugoslav, or Polish economies are still not completely market economies, so they cannot apply the radical measures they are expected to implement.

Miklos Nemeth likened the behavior of the IMF with Moliere's doctor who prescribes castor oil to all his patients regardless of the nature of their illnesses.

The IMF has three proposals, he said. One is the devaluation of the national currency. We agree that a realistic relation between the forint and the dollar is needed, but what also matters is the pace and volume of such an operation, Premier Nemeth said.

Are you afraid of possible social tremors?, we asked him.

Yes, was the answer.

The second suggestion of the IMF is an urgent decrease in the budget deficit.

We still cannot do that using market methods. That could increase social tensions.

Third, the IMF insists upon reprivatization, that is, strengthening the private sector.

We want a market economy and are offering an equal chance to all three forms of ownership, the premier explained, but we cannot make up for 200 years overnight.

Why 200 years?

Because 200 years have passed since the American Revolution and capitalism has an even longer history.

A Proposal to Yugoslavia and Poland

Replying to the remark that international financial organizations are not particularly merciful toward intermediately developed countries with large debts, the Hungarian premier said the following:

Economic interests make the world go around and political interests are in the background. One should assess the situation carefully and avoid tensions [zaostravanje]. What we need is cooperation with a new content.

Premier Nemeth touched upon relations between Hungary and Yugoslavia. He announced that he will have, as he put it, "a working meeting" with Ante Markovic, president of the Federal Executive Council, in the second half of this year and expressed his pleasure about that.

We have topics to discuss; our two governments have similar aspirations. We have to be good neighbors and encourage and strengthen each other, and learn from each other.

At the end of the interview he proposed the following to Yugoslavs and Poles:

It would be good if socialist countries undergoing reforms, such as Yugoslavia, Poland, and Hungary, would coordinate their cooperation and jointly appear before international financial organizations, the Hungarian premier said.

Fences, Trenches Built on Romanian Border
LD2006171189 Budapest Domestic Service in Hungarian 1400 GMT 20 Jun 89

[Text] Bucharest—The fence which is being built on the Hungarian-Romanian border is 90 percent complete. The border guard commanders in the Nyirbator and Oroshaza Districts have said that a 2-2.5 meter high fence is being erected on the Romanian side. The latest work shows that trenches have been dug on both sides of the fence to prevent anyone driving a car from breaking through.

According to the Oroshaza border guard commander, on the Romanian side a 25-km border zone is being created which can only be entered with special permission.

Nyers Attends Socialist International in Sweden
LD2006175189 Budapest MTI in English 1647 GMT 20 Jun 89

[Text] Stockholm, June 20 (MTI)—Rezso Nyers, member of the HSWP [Hungarian Socialist Workers Party] Political Committee and minister of state, attended the opening session of the Stockholm congress of the Socialist International on Tuesday.

Mr Nyers met Willy Brandt, general secretary of the Socialist International, Ingvar Carlsson, president of the Social Democratic Labour Party of Sweden and prime minister, Pierre Mauroy, former French prime minister, Hans Jochen Vogel, president of the Social Democratic Party of Germany, and Neil Kinnock, leader of the British Labour Party.

The congress is also attended by the delegation of the Social Democratic Party of Hungary headed by President Tibor Baranyai.

Nyers Arrives in FRG
LD2006175489 Budapest MTI in English 1706 GMT 20 Jun 89

[Text] Bonn, June 20 (MTI)—Rezso Nyers, minister of state and member of the HSWP [Hungarian Socialist Workers Party] Political Committee, who had previously attended the opening session of the Stockholm congress of the Socialist International, arrived in the Federal Republic of Germany on a four-day visit on Tuesday. The Hungarian politician was invited by Wolfgang Roth, member of the Presidium and economic policy spokesman of the Social Democratic Party of Germany (SPD).

Mr Nyers is scheduled to meet Hans Jochen Vogel, chairman of the SPD and of its parliamentary party, Johannes Rau, minister-president of North Rhine-Westphalia and deputy chairman of SPD, Alfred Dregger, chairman in Bundestag of the Christian Democratic-Christian Socialist Union (CDU-CSU), Graf Otto von Lambsdorff, chairman of the Free Democratic Party (FDP), Wolfgang Mischnick, chairman in Bundestag of the FDP, Hans-Dietrich Genscher, vice-chancellor and minister for foreign affairs, and a number of senior economic experts.

Mr Nyers is to deliver a paper on Hungary's reform policy at a meeting organized by the Friedrich Ebert Foundation.

Sepp Binder, spokesman of the SPD parliamentary party, greeted in a statement the visit of the Hungarian minister of state.

Nyers Speaks in FRG on Reforms
LD2006230589 Budapest Domestic Service in Hungarian 2000 GMT 20 Jun 89

[Text] [Presenter] At the jubilee congress of the Socialist International in Stockholm, Rezso Nyers, member of the Hungarian Socialist Workers Party [MSZMP] Politburo, has held discussions with leaders of several West European social democratic parties. Tibor Baranyai, president of [illegible] Hungarian Social Democratic Party, also took part in the consultation. In the meantime, Rezso Nyers traveled to the FRG, where he is holding talks with representatives of the opposition Social Democratic Party, the coalition parties as well as the West German Government. A report from Zsolt Szalai in Bonn has just arrived about Rezso Nyers's talks:

[Szalai] The minister of state, who is holding talks in Bonn at the invitation of the Social Democratic Party, spoke in the late evening to some 100 leading figures of West German economic and political life about the Hungarian reform endeavors and he replied to questions from those who were present. As he said, our country wishes to take part in the European political institutions, and in the long term, it would like to shape a close, partnership relationship with the Common Market. In this endeavor, it also counts on support from the Economic Community.

He also put forth that it would be life-threatening for our reforms if the parties were not to take cognizance of the country's geographical location. At present, however, sober moderation is characteristic on the part of the majority of them. The surroundings, Rezso Nyers continued, cannot divert Hungary away from its reforms, but we cannot forget that our interest is good relations with our neighbors—even with Romania, which unfortunately releases erroneous statements. We reject these, just like we do not consider those concerns to be correct, either, which the representatives of the Czechoslovak leadership state. Our relationship with Prague is correct, in spite of the fact that in the matter of the Gabcikovo-Nagymaros hydroelectric power station, it will not be easy to fund a mutually acceptable solution. However, we trust that this, too, can be resolved.

Replying to questions, the minister of state called the iron curtain separating the continent into two halves to be a vestige of the Stalinist era, although he added that the trade restrictions on the part of the West also can be qualified as a kind of iron curtain. These walls must collapse together, and Hungary is working on their demolition.

The West German officials who were present acknowledged with great satisfaction that according to the opinion of Rezso Nyers, the Federal Republic, with its own Ostpolitik, in the past 20 years has worked on the same objective, regardless of who has been chancellor.

Youth Leader Criticizes FIDESZ, 'Demagoguery'
LD2006162189 Budapest Domestic Service in Hungarian 1630 GMT 19 Jun 89

[Text] One of the leaders of the Hungarian Democratic Youth Alliance [DEMIZ] believes that Viktor Orban, member of FIDESZ [Federation of Democratic Youth], spoke only on behalf of a minority at the funeral of Imre Nagy and his martyr associates.

Deputy Chairman Csaba Kracsun, who spoke on behalf of DEMISZ, noted that he and his associates see from their own examples the gravity of the mistakes that exclusiveness—made by someone supposedly speaking on behalf of all of youth—can lead to. The DEMISZ leaders view 16 June as an important stage in reconciliation, a peaceful transition. For precisely this reason, they believe that since the current Hungarian leadership is unable to separate speeches that look forward and radically take into account the past from demagogic forces that rigidly adhere to their power and build from their past and position, that additional demagoguery can be a brake to finding a joint path.

According to the DEMISZ statement, it is demagoguery to deliberately wash away the differences, for example between Miklos Nemeth, Imre Pozsgay, Matyas Szuros, Rezso Nyers, and Robert Ribanszki and his associates.

FIDESZ Official on First Roundtable Session
AU1906181589 Budapest MAGYAR HIRLAP in Hungarian 14 Jun 89 p 4

[Interview with Dr Laszlo Kover, representative of FIDESZ at the roundtable talks, by Zoltan Lovas: "FIDESZ Does Not Feel that is is at the Peak of Power"—following the plenary session of the roundtable talks held in Budapest on 13 June]

[Text] Dr Laszlo Kover was one of the three members of the Federation of Young Democrats [FIDESZ] negotiating group at the table reserved for the opposition roundtable.

[Lovas] All that has taken place today could be the faint beginnings of a process. According to FIDESZ, what can one expect from the national roundtable talks?

[Kover] At best, some kind of compromise agreement will emerge on every major issue. The opposition roundtable will only present its proposals at the next meeting. The establishment of a working committee in charge of discussing political issues is one of these proposals. We are not willing to take responsibility for the 40 years that are behind us. Lacking all kinds of infrastructure and information, the opposition forces cannot set out more for themselves than the task of supervising power. Therefore, in economic and welfare issues, we want to use the talks to prevent the social problems deriving from these issues. I do not think that the current series of talks could work out the economic strategy of a coalition government. Nor is the opposition roundtable willing to get into a situation in which we would be responsible for possible future dismissals. One should see that the interests of the negotiating partners are quite different....

[Lovas] In addition, after the elections the Social Democrats, the People's Party, or even the Federation of Free Democrats will probably not go in the same direction....

[Kover] That is true. The members of the present opposition roundtable do not make up the creative elements of a future coalition, because their programs and directions are quite different. Therefore, the organizations within the opposition roundtable tried to find a minimal consensus to hold us together. It can achieve results against a power with 40 years of experience only with a joint position, and this is the goal of minimal results, namely the achievement of free and democratic elections and the chance to run in these elections with equal rights. Besides, FIDESZ does not want to behave like an elite movement. We would like to use our own example to strengthen the citizens' impression that politics is indeed the internal affair of the simplest citizens. We do not feel like being at the top of political activity....

National Institute Holds Forum on AIDS
AU1606193289 Budapest MTI in English 1434 GMT 14 Jun 89

[Text] Budapest, June 14 (MTI)—'22 AIDS patients and 183 HIV positive individuals are currently registered in Hungary. Fourteen have died of the disease so far,' announced the forum of the National Institute for Health Education on Wednesday. Although Hungary belongs to the less seriously affected countries, this is no cause for optimism. Studies conducted by the institute reveal that the majority of Hungarians are still unaware of the way the disease spreads, the fact that it is terminal, and a lot of misconceptions prevail.

Commission Releases 2d Round Election Results

LD2006191189 Warsaw PAP in English
1731 GMT 20 Jun 89

[Text] Warsaw, June 20—The State Electoral Commission announced today the returns of the second round of elections to the Senate which were held on June 18, 1989.

In six electoral regions covering the territory of the voivodships of Bydgoszcz, Leszno, Lodz, Pila, Radom and Slupsk the ballot was to elect eight senators out of 16 candidates. The number of people eligible to take part in the voting was 3,014,127.

The following candidates received the largest number of valid votes in the run-off and were elected senators to the Senate of People's Poland:

Bydgoszcz Voivodship	—Paszynski Aleksander
Leszno Voivodship	—Hoffman Stanislaw Andrzej
	—Zurawski Antoni
Lodz Voivodship	—Jozefiak Cezary Brunon
Pila Voivodship	—Nowicki Zdzislaw
	—Stoklosa Henryk
Radom Voivodship	—Lipski Jan Jozef
Slupsk Voivodship	—Grzadzielski Henryk

The State Electoral Commission announced that 100 senators were elected in the elections to the Senate of People's Poland. In the ballot held on June 4, 1989 92 senators were elected while 8 senators were elected in the run-off on June 18, 1989.

Voters 'Snub' Authorities

AU2106075889 Paris AFP in English
0705 GMT 21 Jun 89

[Maryan Kafarski Report]

[Text] Warsaw, June 21 (AFP)—Poland's voters have delivered a humiliating snub to the ruling authorities by largely ignoring the second round of elections, judging from the official results published late Tuesday.

Most of the electorate did not bother to vote in Sunday's second round as all but a handful of the candidates were government-sponsored.

The 25.3 per cent turnout contrasted starkly with the 62 per cent recorded on June 4 when, in the first semi-free elections for more than 40 years, voters could choose between official and opposition candidates—and opted overwhelmingly for the opposition.

In Sunday's run-off poll, however, all but one of Solidarity's candidates to the two-chamber parliament secured election. And in constituencies where no opposition candidate stood, "reformist" candidates approved by the independent trade union won preference over hardliners.

As a result of the two-round election, the Solidarity-dominated opposition now holds 161 seats out of 460 in the Diet (lower house), having won all those for which it was allowed to compete, and 99 out of the 100 seats in the Senate.

The run-offs were made necessary by the failure of many official candidates, even when standing unopposed, to achieve the minimum 50 per cent of votes cast in the first round. A simple majority of votes cast was sufficient to secure election Sunday.

The results announced by the National Electoral Commission constitute a massive disavowal of the authorities by Polish voters.

Out of 35 leading official figures who featured on a "national list" of candidates in the first round, 33 including Prime Minister Mieczyslaw Rakowski were eliminated.

Mr. Rakowski was expected to submit his resignation and that of his government in the near future, informed sources said.

Of those who did vote Sunday, the electorate appears to have followed the guidance given by Solidarity, favouring candidates known for pro-reformist sympathies.

In the northern port city of Gdansk, Tadeusz Fiszbach, former regional first secretary of the Polish United Workers (Communist) Party at the time of the signature of the historic Gdansk agreements of August 1980, was preferred by a margin of seven to one (91,861 votes to 13,251) over Jan Labecki, party secretary at the Gdansk shipyards during the subsequent state of emergency.

Elsewhere, known members of the "nomenklatura" were given short shrift, with such figures as Janusz Kubasiewicz, Warsaw party secretary, Manfred Gorywoda, party secretary in the southern town of Katowice, and General Zbigniew Messner, deputy interior minister, all failing to be elected.

Even before the official results were announced, Polish leaders admitted that the election had proved a fiasco for official candidates.

Within the party ranks, the names of younger reformist figures favoured by Solidarity were being discussed with a view to promotion to the politburo at a plenum slated for June 28, the sources said.

"The only path open to us, if we don't want to collapse completely, is to press on with even greater determination in carrying out the reforms already started," said one official who declined to be named.

The sources said officials were pressing for a special party congress to be held as soon as possible in order to overhaul the party and prepare it for the task of Soviet-style perestroyka.

A full Central Committee meeting scheduled to be held next week is certain to discuss the situation in view of the election results.

The Central Committee has also to nominate a candidate to be president of the republic, a newly-created post. The present head of state, General Wojciech Jaruzelski, would be the logical candidate of the ruling party.

PZPR Politburo Discusses Election Results

LD2006201489 Warsaw PAP in English 1838 GMT 20 Jun 89

[Text] Warsaw, June 20—The PUWP CC [Polish United Workers Party Central Committee] Political Bureau met here today to assess the results of the second round of elections and the alignment of political forces forming in the National Assembly.

Members of the Political Bureau also discussed directions of party activities in the future and preparations for the 13th plenary meeting of the Central Committee.

Solidarity Parliamentarians To Meet 23 Jun

LD2006195789 Warsaw PAP in English 1805 GMT 20 Jun 89

[Text] Warsaw, June 20—Spokesman of Solidarity Janusz Onyszkiewicz told PAP that the citizen's committee "Solidarity" would hold a meeting in Warsaw on June 22, 1989.

Onyszkiewicz announced at the same time that all the 260 deputies and senators elected to the new parliament and backed by the Solidarity citizen's committee would meet in Warsaw on June 23, 1989.

There is hope that we shall find partners in the newly elected Sejm who understand our reasons, Onyszkiewicz told a press conference organized in the Teatr Wielki (Grand Theatre House) here today. Asked about the number of Solidarity's members he stated that the union had so far some 1.5-2 million members.

Onyszkiewicz expressed hope that after the election campaign to the Sejm and the Senate the union would be able to maintain its access to the radio and television. We would like, he said, to maintain the profile of our programmes which has been elaborated in the past few weeks.

Solidarity Daily on Coalition's Election Defeat

AU2006165889 Warsaw GAZETA WYBORCZA in Polish 7 Jun 89 p 5

[Commentary by Jerzy Holzer: "After the Elections—Before the Choice"]

[Text] There is not much time for reflection. We have to start exchanging views soon to avoid serious mistakes.

We did not come up with the idea of the elections. The party-government coalition wanted them: It set the conditions and the dates. Party-government experts drew up the electoral code. The elections were to be the price that "Solidarity" was to pay for its legalization. One can imagine that a condition for legalization could equally well have been the postponement of the elections for another 2 years, for example. This is not the first time that Poland's ruling circles have displayed a lack of political imagination and have made decisions that pose a danger to them. If they charge us with being responsible for the situation that has arisen, the most we can do is shrug our shoulders and give an expression of understanding for the nervousness felt by those who have forced themselves into an impasse.

The party-government coalition did not expect to suffer such a defeat, and "Solidarity" did not expect to score such a success. It was success at the expense of the coalition, but also at the expense all those forces that really did find themselves neither on the side of the coalition nor on the side of "Solidarity." Today, the greatest danger to us is that we allow this success to go to our heads. This could be all the more serious, because we on the opposition side still have not managed to create democratic structures and base ourselves on two symbols: the four-syllable slogan written in those characteristic Gdansk italics and on one name. We stood together as an alternative coalition, but we have a variety of traditions and views.

The coalition has suffered a serious defeat in terms of prestige. If it attributes this defeat to the propaganda circulated by those representatives of "Solidarity" who called on voters to cross out all names other than those of their "own people," it should be pointed out that Lech Walesa appealed to voters to vote for the roundtable people who appeared on the national list. The defeat should also be viewed against the background of the turnout, which was lower than expected. There were many frustrated people among those who did not take part in the elections. They include opposition opponents of the roundtable and those who have gone into internal exile and do not expect anything good of anyone. It would appear that "Solidarity" can do no more to assist the government coalition without losing its identity and increasing the number of groups that are frustrated.

The coalition faces a difficult choice: What next? Essentially, the second round of the elections will only affect its candidates. The turnout will undoubtedly be embarrassingly low or almost every coalition candidate will receive more negative than positive votes. So there is a danger of another blow to the coalition's prestige, although the electoral code protects the coalition from losing further seats. However, the only alternative seems to be to declare the elections void, which would bring about a quasi martial law situation and would reduce Poland to the level of a Central American banana republic. All in all, the first version seems to make more sense, and "Solidarity's" task should be to curb the desire for retaliation and to remind people that the decisions made at the roundtable stemmed from an assessment of forces that is not only based on the ballot paper.

When the elections are finally over, the party-government coalition will have a slight majority, which should be sufficient for it to choose a president as it sees fit. Today, the basic problem that both sides should be aware of is: Physical strength is in one place, and the Polish population's vote of confidence is in another place. Guided by reason, "Solidarity" is not attempting to assume power. However, following such a vote of no confidence, the coalition will not be in a position to govern effectively. There are two other possibilities. One such possibility is a government made up of experts, both party and non-party experts, but experts who have not been involved in "grand politics" so far. The second possibility is an agreement between the coalition and the opposition. There are advantages and disadvantages to both options. The second option would be easier to realize, but it would be more dangerous for many reasons.

The worst solution today would be to believe that "things will work out somehow," to refrain from action, and to wait to see what course events take. Following the 4 June elections, Poland cannot revert to the previous situation. The future situation has to be shaped with an awareness of the process of historical acceleration that we have entered. Tomorrow might be too late.

Catholic Weekly Hails Solidarity Victory

AU2006135189 Warsaw PRZEGLAD KATOLICKI in Polish 18 Jun 89 pp 1, 2

[Commentary by Jan Skorzynski: "Choice"]

[Text] What happened on 4 June 1989 at noon, as it was stated in that classic Western form in the best "Solidarity" election poster? Who won and who lost these strange half-democratic, quarter-free elections? The turmoil that has arisen over the defeat of the so-called national list has somewhat overshadowed the fundamental implications of the results of the voting. Now, a week later, let us try to conduct a calm, detached assessment of the results, because we now know that neither the state nor the "roundtable" accords are in ruins. Despite all the limitations, the 1989 elections provided Poles with the first opportunity in more than 40 years to freely express their collective opinion on the state of the country and on responsibility for the crisis in which the country finds itself and for our entire postwar history. In terms of this first, plebiscite-like element of the elections, voters provided an answer to a question that was not asked: Are you for or against the present system of government, for or against one party rule and, finally, for or against—let us not be afraid to say this—the system that calls itself socialist. The answer is: against. On 4 June the Poles gave a clear, unequivocal assessment of the scale of the country's decline and precisely indicated those responsible. That is how the results of the voting on the national list and Sejm seats allocated for the Polish United Workers Party and its allies are to be interpreted. To my mind, this does not in any sense represent a rejection of the "roundtable" accords. In crossing out the names that appeared on the national list, society crossed out those who have been responsible—having conferred this responsibility on themselves—for this country not just recently, but for many years. History did not begin on the day on which the session at the Palace of the Council of the Ministers ended. The nation's memory extends further back into the past and also calls different images to mind. Memories are what led people to cross out the names of candidates for party seats en masse and to refuse to place their trust in each individual candidate and in the ruling camp as a whole.

Where society chose to place its trust was in "Solidarity." Why did it choose "Solidarity" instead of other, ostensibly or genuinely, independent candidates? There is no doubt that a strong attachment to the symbolism of August and the emotional experience of that time played an important part in these elections. For many, "Solidarity's" beautiful and clean record was reason enough to support it once again. You place trust in those who do not let you down. "Solidarity" enjoys a great stock of public credibility as a result of the "Solidarity" epic and the years of underground and open struggle, during which very few betrayed the values that they espoused.

However, the past was not all that played a part in the election victory. The present, which has proved "Solidarity" right, was an equally important criterion in the decisions made by voters. "Solidarity" was right when it condemned the authorities' December 1981 decision, it was right when it exposed sham reform, it was also right to warn of impending economic collapse. However, of what importance is being right if it is not accompanied by political success? This success has finally come, 7 years later. It is true that it had many midwives. They include those people in ruling circles who realized that in order to preserve anything at all everything has to be changed. However, the true architects of accord are the workers of the Gdansk shipyard and the Nowa Huta steelworks, the miners of Jastrzebie, and the steelworkers of Stalowa Wola. Without them, there would have been no "roundtable." Without them, there would be no "Solidarity." All those things that Poland and the Poles consider today to be the most precious would also not exist without the church. Who can precisely gauge John Paul II's contribution to these changes?

Not only people were chosen on 4 June, but so was a program, and thus the future was chosen. What was chosen by voting for the "Solidarity" Citizens' Committee program? We chose a Poland in which government is based on the citizen, in which appointment to a post is based on ability, and where what one earns is based on one's work. We want to create this new Poland safely, not by revolution, but by evolution. We want to travel this road together, grouped together in associations, trade unions, and political parties. This is because we believe that no one has the right to impose his views on others and that everyone should be allowed to participate in public life and defend his interests. We support free elections to the Sejm, Senate, and local government bodies, because we want government that draws its strength not from the number of divisions it has, but from the support of citizens. We want a new economic order that is not based on ideology, but on the laws of the market. We believe that everyone has a right to earn a decent wage for good work. We think that schools and colleges should serve learning and that the media should serve the truth.

This vision of future was the one that was chosen by those who cast their votes for "Solidarity" on 4 June. However, these votes not only place an obligation on deputies and senators. No one will make us a gift of democracy. We must create democracy ourselves in associations, unions, parties, and enterprises, or we will not have democracy at all. Democracy does not depend on guarantees, promises, or pledges. Democracy is only an opportunity. At noon on the day of the elections we took up that opportunity. Will we allow it to last until sunset?

Orzechowski Urges 'Government of National Trust'

*LD2006122289 Warsaw PAP in English
1052 GMT 20 Jun 89*

[PAP headline: "I Support Grand Coalition Govt, Orzechowski Says"]

[Text] Warsaw, June 20—In an interview for ZYCIE WARSZAWY carried under the headline "Let's Not See Black and White," Marian Orzechowski, a member of the PUWP [Polish United Workers Party] Central Committee Political Bureau and CC secretary stated in part: "People designated by the citizen's committee attached to Chairman of 'Solidarity' Lech Walesa have won 99 seats in the Senate and not less than 35 percent of seats in the Sejm. Is it possible in this situation to form an effective government if it gains the support of only the to-date coalition of three parties and three Catholic associations? I think that society has placed confidence in 'Solidarity' because it views it as a creative force, one guaranteeing deep changes for the better in Poland. This is obliging. It is not enough to stand on the sideline and pass judgements.

"I think that at present the most realistic thing seems to be arriving at such a parliamentary agreement which would permit all political forces represented in parliament to set up a government of national trust. This should be a government whose program and lineup would enjoy the broad trust of the Sejm and society, and our foreign partners as well. At the same time I do not share the call for a government of apolitical experts which is surfacing here and there. These are artificial labels and structures. One cannot of course say that the present government lacks expertise. The point is for the program of the new government and the methods of its implementation to correspond to not only all the political groupings constituting the parliament of the 10th term but first and foremost society."

Rakowski Interviewed for Solidarity Journal

*AU2006141389 Warsaw GAZETA WYBORCZA
in Polish 1 Jun 89 p 3*

[Interview with Premier Mieczyslaw F. Rakowski by Adam Michnik and Jacek Zakowski: "The Hour of Truth Is at Hand"—date, place not given]

[Text] [Question] Mr Premier, this interview sets a major precedent for you and for us. We appreciate your gesture, and hope it signals a new stage in our relations.

[Rakowski] I suppose your readers will be shocked by the fact that I am granting you an interview.

[Question] They will also be shocked by the fact that we asked for it.

[Rakowski] Nevertheless, I did not hesitate for a single moment.

[Question] It is a goodwill gesture on your part and on ours. We are in a period of major changes, and we frequently wonder where these changes are leading. People are finding it increasingly harder to get by, and questions about what to believe in, what to wait for, and where we are heading are being asked with growing frequency.

[Rakowski] Yes, there is no doubt that we are in a time of profound changes. The system that was formed after 1945 is now shedding its skin, but we still do not know exactly what the new skin will be like. Ours is not the first system in history to have found itself in such a situation. The most important thing is an answer to the question whether we and you are able to find a pattern of coexistence that is acceptable to most of society; whether this pattern will be based on cooperation or on struggle; and where the line between cooperation and struggle is to be drawn.

Of course I am aware of very extremist views whereby the "commies" ["komuna"] are finished and that all they need is a finishing blow. I am not too concerned about that. It is a kind of zeal that accompanies any changes, especially those that bring with it a far-reaching reconstruction of the system. However, I do not quite agree with the generalization whereby life is hard. As far as daily problems are concerned, life is hard. Materially, however, there are great differences between people. There are large groups of society who are prosperous. Of course there are also groups for whom life really is hard. This difference is inevitable because of the nature of our economic reform, which calls for many costs and sacrifices.

As you know, I consider the condition of the economy more important than anything. The economy is the most important political component of every single system. Yet in the meantime, the reform is encountering obstacles. The state budget has burst its banks and inflation is growing. We are almost helpless in the face of wage demands. I do not think the opposition can stop these demands, either. I know it is idealistic to expect this, but I would like people to refrain from wage demands for the next 2 or 3 years. All they do is ruin the economy, in other words endanger the entire reform process.

[Question] You mentioned drawing a line between cooperation on the one hand, and a struggle for power with the opposition on the other. Therefore I must ask you how you imagine an honest political contest. The authorities are making the most varied moves; for example, they are employing the state administration in the ruling coalition's election campaign.

[Rakowski] I do not consider the cashing of dollars to be synonymous with fair play [English expression used]

[Question] Various people have been accused of receiving foreign money: from Pilsudski and Korfanty, right up to the communists, who took Russian money. However, it makes more sense to consider what this money is being spent on. For many years, while we were still underground, we used the dollars to publish books which were of unquestioned literary and scientific value. It was forbidden to publish them any other way. Today, no one in your ruling camp denies this value.

[Rakowski] I have a different view. I think dollar support for various organizations that have nothing in common with Poland's interests is a violation of our sovereignty. Once upon a time, successive Soviet teams interfered in our affairs and violated our sovereignty to various degrees. Gorbachev has not done so. We are shaping our politics absolutely independently. However, it is the United States that is now interfering by providing dollar support. I find this an embarrassing situation.

You asked me about something that lies close to my heart; in other words, what cooperation between the opposition and us is to look like. We know that every opposition aims to assume power.

[Question] It is not so obvious in Poland.

[Rakowski] Nevertheless that is the essence of every single opposition (though we have to work out a new model which might attract the interest of the European left wing). Let us imagine the following situation. After the elections, my party offers me the post of premier, and I offer Mr Michnik the post of minister of culture. Would Mr Michnik consider this to be beyond the limit of the cooperation he had set for himself earlier as a member of the opposition, or would he consent to establishing a new model of cooperation between the opposition and government?

[Question] I agree that we have to find original solutions, but when the opposition joins the government, it is no longer an opposition.

[Rakowski] Do you not imagine such a situation in future?

[Question] I have to imagine it. After all, "Solidarity" people cannot adopt the attitude whereby they will remain an opposition whatever happens in Poland. Perhaps I will ask you the same question. Do you imagine such a situation?

[Rakowski] I ask such questions on purpose. The answer is clear.

[Question] Let us try to put your idea into concrete terms. I assume you will remain premier after the elections. Will you try and set up some kind of system based on accords and compromise, or will you apply "iron lady" tactics and play around with parliamentary arithmetic?

[Rakowski] Look, I have written about partnership for years. I would not want arithmetic to form the basis of the new political relationships taking shape in our country. Today we are faced with the question whether a real political breakthrough will occur, or whether we will proceed no further than the present changes, in other words a new type of Sejm, a legalized opposition, and so on. A real breakthrough requires that we and you break away from the past. In any case, I have the past already behind me.

[Question] If we want to move ahead, we will have to reject stereotypes. For example, we will have to learn not to reject anyone who wishes to take part in public life. In matters of vital importance, we will have to keep on seeking accord until it is finally established. However, on your side and our side there will be people who disapprove of this idea. Since we are talking about real pluralism, there ought to be room for these people as well on the political stage.

[Rakowski] Extremist attitudes and orientations are inevitable, but I think one's attitude toward them should always depend on the situation at hand. For example, I find any kind of anti-Soviet activity by extremist groups unacceptable. On the other hand, any extremist currents inside a given organization are the internal business of that organization. Today, we in the party have no clear anti-reformist orientations.

However, we do have two ways of sabotaging the line of reforms. One way is illustrated by the following way of thinking: "We will show you what you can do with your reforms." The other way is a kind of unconscious sabotage, illustrated by people who are convinced that power means overall control over the person sitting on the other side of the desk. In addition, there is something which we call a bureaucratic quagmire. Of course, you will also say that we have a set of party hardliners, but that is not a major force.

[Question] You once used the term "ultras." What kind of people are these?

[Rakowski] I do not remember using that term. I have never resorted to it. I will not quote names, because that would be politically unwise and perhaps even harmful, but there are of course people who think, for example, that we are outpacing socialism. There are also dogmatics, but it is not they who shape the party's countenance. Most party members are people who realize that it is necessary to abandon the old method of power, even if they do harbor certain fears. That is understandable.

I observed party reaction to the eight questions which I asked during the first stage of the 10th Plenum. First, the reaction was doubt, fear, surprise, and so on. Later, the party seemed to reconsider its thoughts. Finally, after the end of the second stage of the 10th Plenum, I could not go anywhere without being told: "It is good that you asked those questions, comrade." I really do not feel lonesome inside my party.

[Question] That sounds very optimistic, but in my opinion, at the 10th Plenum, your stance received full support only from Professors Cackowski and Kubiak, and half-hearted support from Manfred Gorywoda.

[Rakowski] Prof Cackowski is a nonparty man and did not even attend the plenum. As for Manfred Gorywoda, I felt his "half-hearted" support very keenly. The plenum debate expressed various ways of thinking. That too is understandable. The party is becoming pragmatic, and contains no antireformist faction that could stop us.

[Question] So you have complete freedom of movement in Poland, but nevertheless the illustrious geopolitical factor remains. At a plenum in 1981, you suggested that the party leadership ask the CPSU to establish the limits of the reforms. Would you still do so today?

[Rakowski] I did not mean limits of the reforms. Mindful of the Soviet Union's 30 October 1956 declaration about its interests in Hungary and the 1968 declaration about the development of the situation in Czechoslovakia, and faced with an increasing anti-Soviet mood that threatened to infringe Poland's interests, I said we should ask the Soviet Union to define the limits of its interests in this part of the world. However, Stefan Olszowski [foreign minister] misinterpreted my words, as a result of which the Soviet leadership did not bestow me with particularly warm feelings, to put it mildly.

Today I would not have made such a suggestion because perestroyka has brought a fundamental change to Polish-Soviet relations. We do not have to hide any of our thoughts from the Soviet comrades. From this point of view, Poland is faced with a tremendous possibility of shaping its own concept of socialism completely independently. In foreign policy, too, Moscow does not tell us what to do. In basic matters, our foreign interests are of course similar. Nevertheless, it is obvious that a great power has its own view of the world, and we too have our own view of our relations with foreign countries.

In any case, there is absolutely no comparison between our relations today and our relations in 1981. Even I find the boldness of people from Moscow surprising. If anyone at the commencement of this decade had predicted that a man like Gorbachev would appear and that the Soviet Union would develop the way it has done, he would have been expelled from the party. Imagination is not one of man's strongest points. Changes in socialism are so rapid and unexpected that it is difficult to predict them.

[Question] Do you not think that it is high time to discuss Polish-Soviet relations openly? After all, one cannot praise something which one is not even capable of criticizing. I would feel much more comfortable when discussing the advantages of perestroyka if there were no censor to seal the lips of those who claim that Gorbachev is a new Stalin and that perestroyka is a masquerade meant to deceive the West and permit cadre changes.

[Rakowski] We are already discussing 1939 and the deportation of Poles openly.

[Question] What about 1956?

[Rakowski] 1956 is also being written about. I have read Stanislaw Kania's interview for PRZEGLAD TYGODNIOWY [WEEKLY REVIEW], in which he treads considerably broader territory—1980 and 1981. There is no issue we could not discuss, though one has to remember the difference in size between a great power and a medium-sized country. Most of all, one has to remember interests. Because of the wave of anti-Soviet sentiment in Poland in 1981, the Russians decided to introduce a ferry service between Rostock and Klaypeda, as a result of which Poland lost three-quarters of the transit traffic between the GDR and USSR, which used to bring us several dozen million roubles each year. So who profited by this? Poland?

Finally, one must not offend anyone. People who have been offended have long memories. Perhaps you know that the Soviet consul in Krakow told VREMIYA that he expected the Polish Government to take a stance on the Krakow events. He has the right to expect that. I would also have made such a demand if someone had abused my national emblem.

[Question] That sounds much more convincing that POLISH PRESS AGENCY commentaries and what we have heard said during press conferences. All we hear is a mincing of words.

[Rakowski] Well, we are still prisoners of our language. So are you.

[Question] There is still one major topic to discuss. The elections are ahead of us. How important will the results be?

[Rakowski] The elections should commence a phase of political stabilization. Social calm depends on them. Social calm is an indispensable condition in order to continue the reform. If there is no calm, nothing can be achieved, whoever is in power.

[Question] And what kind of election result do you think would bring about such calm?

[Rakowski] I will refrain from answering.

[Question] For many of my friends, the roundtable is the first step toward an accord, and especially toward two pacts; a pact on economic reform, and a pact on democracy. The conclusion of these pacts might calm those who think that sooner or later the authorities will put the screws on in any case.

[Rakowski] However, I think this situation is different from all previous ones. This time we have not raised the crossbars of the goalposts of liberty. Instead, we have moved to a new football pitch. There is no return. Nevertheless, I need not explain that at a certain point, society may become so tired that it loses interest in democracy and wants nothing but calm, order, and strong authorities.

I fear that if the social forces cease to supervise the process of democratization, it may destabilize the social situation. Then, as always in history, someone might appear and say "We have to put an end to this, or else Poland will perish." I do not know who that someone might be. It need not be Gen Jaruzelski. That is why I consider so important the question whether the political forces taking part in the process of democratizing social and economic relations realize that Poland needs not only reforms, but also social discipline.

[Question] Finally, we must ask you a fundamental question. Do you imagine a situation where Polish communists fight for power the way Italian communists do, in other words with a readiness to surrender power if that is the will of the electorate?

[Rakowski] The Italian communists have never been in power. All I can say is that I will do everything to keep the leftwing, to which I belong, in power.

[Question] But can you imagine such an hour of truth at all?

[Rakowski] I think it has already come. We have already embarked upon a road that is full of unknown quantities, and we have cast everything to fate.

[Question] Thank you very much.

Rakowski Receives CSSR Deputy Premier

LD1906185889 Warsaw PAP in English
1732 GMT 19 Jun 89

[Text] Warsaw, June 19—Poland's Prime Minister Mieczyslaw F. Rakowski received here today Vice-Premier of Czechoslovakia Jaromir Obzina.

The sides discussed current problems in bilateral economic, scientific and technological cooperation with particular stress on further mutual attempts to restructure its mechanisms and to improve environmental protection in the two neighbouring states.

Poland's Vice-Premier Janusz Patorski took part in the talk. Present was also Czechoslovakia's Ambassador to Poland Josef Havlin.

Czyrek Receives Nicaraguan Sandinist Delegation

LD1906222689 Warsaw PAP in English
2148 GMT 19 Jun 89

[Text] Warsaw, June 19—PUWP [Polish United Workers' Party] Central Committee secretary and Political Bureau member Jozef Czyrek received here today a Nicaraguan delegation led by department head of the Sandinist National Liberation Front Central Committee Samuel Santos.

The delegation briefed Czyrek on the development of socio-political situation in Nicaragua and the Central American region while the latter presented the assessment of the elections in Poland. He emphasized the will of PUWP to continue the processes of building socialist parliamentary democracy and to reform economic life in Poland.

The sides devoted much attention to international issues and their relation to the internal situation in both countries. They expressed satisfaction at the well-developing cooperation.

Miodowicz Addresses Labor Conference

LD1506134889 Warsaw PAP in English
1057 GMT 15 Jun 89

[Text] Geneva, June 15—Alfred Miodowicz, chairman of the All-Poland Alliance of Trade Unions (OPZZ) and of a union delegation to the 76th session of the International Labour Conference, addressed the meeting here on Wednesday to recall at the outset his own statement made at the previous session to the effect that the Polish model of union pluralism requires further development.

Miodowicz informed the participants in the session that over a relatively short period this development had really taken place as a result of which the composition of the Polish union delegation represented the current pluralistic organizational set-up.

"A qualitatively new socio-political situation has been emerging in Poland, the one being marked by the use of democratic and pluralistic solutions. Thus, the nation, all working people get better possibilities to solve their difficult problems and to contribute to a greater extent to development of international community, to perfecting of international union cooperation," the Pole said.

"The OPZZ has been firmly and consistently advocating radical pluralistic transformations in Poland."

"The OPZZ and its member organizations remain an important force in the conditions of union pluralism, and they want to continue to be like that while taking a burden of ever more difficult tasks and duties on their shoulders. We declare constructive cooperation with the government but we will never resign from our union rights in case this government pursues a policy threatening the interests of the Polish world of labour. This also concerns the fate of crews of enterprises liquidated because of economic reasons."

Next Miodowicz stated that the OPZZ attached a major importance to the role and perfecting of the activities of the International Labour Organization (ILO) whose position in international community is ever more significant and indispensable.

In conclusion Miodowicz recalled that September 1 this year will mark the 50th anniversary of Nazi aggression on Poland and the outbreak of the Second World War. "This anniversary prompts a natural reflection on the past but, above all, on the present day and the future," he said.

"What the working people should do to prevent an analogous tragedy from recurring? Action in response to this question is our historic mission, and it is also our great common duty towards future generations. It is high time the international union movement rid itself of the burden of the past, of prejudice and dogmatic, neoconservative and sectarian attitudes, of cold-war stereotypes," he argued.

"A better future of the world be unthinkable without a radical renewal of the international union movement. Therefore, we firmly come out in favour of increasingly effective inter-union cooperation with respect for various stands taken by particular union organizations as well as in favour of a new shape of cooperation between leading world union organizations. We will make our Polish contribution to this prospective cause," Miodowicz pledged.

Democratic Party Committee Presidium Meets

LD2006215989 Warsaw PAP in English
2040 GMT 20 Jun 89

[Text] Warsaw, June 20—At its session here today the Presidium of the Democratic Party CC [Central Committee] assessed the socio-political situation in the country after the second round of election to both parliamentary houses.

The Presidium stated that society expressed in voting its negative assessment of the functioning of the socio-political and economic system in Poland.

The meeting also stated that while confirming the will to realize the round table settlements, the election became a big step forward on the road of implementing genuine parliamentary democracy in Poland. Due to a broad opposition representation in the parliament, it will be able to express real moods of various social circles to a greater extent, to overcome the habits of "controlled democracy" modelled for years.

The issue of electing president acquires a special importance. The Democratic Party, as an initiator of restoring the presidential office, desires that the politician appointed to the post act as a guardian of the state's stability and a warrant of evolutionary entering the road of parliamentary democracy in tune with the constitutional principles.

Increase in Sugar Prices Announced

LD1906212289 Warsaw PAP in English
1909 GMT 19 Jun 89

[Text] Warsaw, June 19—The official retail price of sugar is to be raised from 210 to 350 zloties for a kilogram as of June 20, the Ministry of Finance announced today.

The Ministries of Finance and of home market motivate the growth by excessive pruchases of sugar despite deliveries by half bigger than in the previous year. The greater supply was facilitated due to high sugar production this year and record imports worth 60 million dollars. In spite of that some people have problems with buying sugar in quantities indispensable for their families.

Article Assesses Gorbachev's Visit to FRG

AU2006142689 Warsaw TRYBUNA LUDU in Polish 16 Jun 89 pp 1, 7

[Daniel Lulinski article: "Moscow-Bonn and General European Cooperation"]

[Text] This was a very important visit, not only an extremely important event in the bilateral relations between the Soviet Union and the FRG, but also in European and global politics. This is a direct consequence of the importance of the two countries, their respective alliances, and the importance of the East-West dialogue. Relations between Moscow and Bonn have now reached a greater level of trust, cooperation, and understanding, stated Mikhail Gorbachev at his news conference, in which he assessed the results of the discussions and meetings he had held during his 4-day visit to the FRG, which he concluded on Thursday.

Mikhail Gorbachev stressed, confirming what Helmut Kohl had also said, that as a result of the intensive and open talks, often lasting for many hours, and which included three private meetings, the chairman of the Supreme Soviet and the chancellor had gotten to know each other better, and it had become easier to understand each another. The main points of the visit that Mikhail Gorbachev emphasized at his news conference on 15 June in Bonn are as follows:

The visit, stated Gorbachev, was unprecedented. It opened up great opportunities for Soviet-FRG cooperation and presented a completely new opportunity for bringing the two nations together in a climate of the great transformations occurring in international relations. Gorbachev stressed on many occasions that he had felt a great warmth and sympathy from the citizens of the FRG. This warmth, he stressed, "is the most important result of the visit." He took this fact to confirm his own thesis, which he affirmed in many of his public appearances, that the postwar period in Soviet-FRG relations had come to an end, that both states had emerged from the cold war, and had entered the road of regular cooperation. Nevertheless, he stated, the Europe of dialogue and cooperation might still periodically feel some sharp frosts and chill winds.

Gorbachev called the joint communique which he signed with Chancellor Kohl a unique document, a document signed by two states which have completely different political systems, two states which, nonetheless, play such a fundamental role in world politics, and which have in their common history good periods as well as tragedies. Good-neighborly relations between the Soviet Union and the FRG do not pose a threat to anyone and do not have a bearing on their respective alliances. Nor do such neighborly relations pose a threat to the interests of the United States.

The problem of military security and disarmament played an important role in the discussions. The Soviet Union is in favor of eliminating military confrontation in Europe, strengthening confidence, a radical reduction of conventional forces, and the total elimination of nuclear forces. Gorbachev was critical of the decisions made at the last NATO summit in Brussels, saying that they did not present any great breakthrough, having been based on the old philosophy of the cold war and nuclear deterrent. Nevertheless, the Soviet Union sees several constructive elements in the NATO decisions and in the stance adopted by the U.S. President. These allow one to hold out the hope that the Vienna negotiations could produce results which might be acceptable.

Gorbachev emphasized several times that his appraisal of the global situation and relations with the FRG was done without any illusions. It accorded with existing realities, and was in keeping with a spirit of respect for the interests of all countries. He was conscious that there were many matters which still needed to be regulated, as well as matters on which other parties still had differing views.

He attaches a great and understandable importance to the development of economic relations with the FRG, and this was confirmed by his many meetings with the representatives of the financial and economic community of the FRG. At the Cologne meeting, where he met the representatives of the FRG Eastern Economic Commission, he encouraged the West German side to consider entering into cooperation with the Soviet Union, which is currently undertaking a peaceful conversion of 40 percent of its armaments industry, an industry which is based on new technology. At that same meeting, he pointed to the existing fears that the creation, in 1992, of a single internal market of the 12 countries which make up the EEC might perpetuate the economic and technological division of Europe, and which would undoubtedly conflict with the concept of creating a common European home.

Especially interesting were Gorbachev's replies in which he considered the causes of the very enthusiastic welcome given to him by the FRG citizens, a fact he was repeatedly asked to comment on by German and American journalists. French correspondents went so far as to circulate a story that the FRG society was infected with a dose of "Gorbymania," comparing the welcome the Soviet leader received with the mass enthusiasm which once greeted President de Gaulle. They compared the joint Gorbachev-Kohl communique to the 1963 treaty signed by Adenauer and De Gaulle, which initiated a new era in Franco-German relations.

Gorbachev emphasized that the cause of such an overwhelming demonstration of goodwill and sympathy, for him personally and for the politics of the Soviet Union, was an appreciation of the fact that Soviet internal perestroyka has also created a new positive thinking, having as its aim the ending of the cold war and the demilitarization of international relations, and reflecting human aspirations to change things for the better in the world.

In his discussions with the FRG leaders, in his meetings with thousands of workers and unionists in Dortmund on the last day of his visit, as well as at his news conference, Gorbachev repeatedly stressed the irreversibility of perestroyka and the creation of a modernized, undistorted socialism, pervaded by a new quality in keeping with the standards of the 21st century, and emerging against a backdrop of influential public opinion and parliamentarism. This process, nevertheless, was not completely immune to excesses and extremisms. At his Ruhr meeting, he stressed that democratic rights and freedoms are a fundamental part of socialism, and are not, as one often hears in the West, diametrically opposite. The pluralism of political views, the various forms of ownership, production of goods, and a market-based economy are not the exclusive prerogative of capitalism.

One of the main causes of Gorbachev's personal popularity and the social acclaim he received from the people in the FRG was the fact that he was greeted here as a representative of a modernizing socialism, as a spokesman for the profound internal reforms taking place in the Soviet Union, all of which bears directly on a peaceful development of international relations, and on the development of relations between the Soviet Union and the FRG.

Government circles in Bonn, evaluating the results of the discussions with Mikhail Gorbachev, show cause for satisfaction. Within the space of 2 weeks, Bonn has been host to the U.S. and Soviet presidents, both of whom have acknowledged the growing role of the FRG in international and East-West relations. FRG President von Weizsaecker described it thus: The FRG is not a great power, but neither is it a ball for anyone to kick about. Without a doubt this sentiment will become a new element in European politics.

The joint Gorbachev-Kohl communique is a true reflection of a realistic hard look at the exigencies of peaceful order in Europe, and the framework of creating a common European home. The communique does not mention "German reunification" or "the open German question." Answering questions on this point at the press conference, Gorbachev put the matter beyond any shadow of doubt; the main task of the two separate German states was to ensure that no war could ever emanate from German soil. He also stated that the "Berlin Wall" was not a barrier to general European understanding.

Summing up Mikhail Gorbachev's visit to the FRG, one can state that it brought a marked qualitative change in the relations and a possibility of long-term cooperation between these two important European countries, and that fact is strongly highlighted by their joint desire to cooperate in the building of the common European home. It also gave many Europeans intellectual and political implications to consider concerning the structure of the common European home in the third millenium of our era. This is not insignificant, even at the present time of truly dynamic changes taking place on the old continent.

Train Hits Soviet Army Vehicle; Casualties

LD2006131189 Warsaw Domestic Service in Polish 1200 GMT 20 Jun 89

[Text] A tragic road accident took place yesterday in Kamien Pomorski [northwest Poland]. A convoy of vehicles of the Northern Group of Forces of the Soviet Army was going through an open level crossing. The last vehicle did not stop at the stop sign and drove on to the tracks. It was hit by a train. One Soviet soldier died on the spot, and seven others with serious injuries were transported to the military garrison hospital in Szczecin. Nine other Soviet soldiers were slightly injured. None of the train passengers were hurt.

Bialystok Voivoda Returns Freight Train to USSR

LD1906121489 Warsaw Domestic Service in Polish 0400 GMT 19 Jun 89

[Text] At the Zubki Bialostockie border train station, checks on a freight train with the load of yellow phosphorus on transit through the territory of Poland to the GDR revealed that seals used by the sender did not guarantee the safety of the tank-cars. Having acquainted himself with the dangers, the Bialystok Voivoda decided to return the entire train to the sender on the territory of the USSR.

Train Remains at Border

LD2006215589 Warsaw PAP in English 1955 GMT 20 Jun 89

[Text] Bialystok, June 20—Following the Bialystok Voivod's decision to stop a Soviet train with yellow phosphorous on finding out leaks in some of the cisterns, Polish and Soviet railway staff met at the border station of Zubki Bialostockie (north-eastern Poland) to consider the damage.

It was established that the Polish PKP (Polish State Railways) representative is to blame for allowing the train to enter Poland.

While the train still remains at Zubki, railwaymen await the sender's representative from Kazakhstan.

The leaks were temporarily sealed and the emission of gas did not cause any losses or threat to environment.

Anti-Romanian Hungarian 'Provocations' Rejected

AU2106094989 Bucharest AGERPRES in English 0813 GMT 21 Jun 89

["We Firmly Reject Fascist, Anti-Socialist, Anti-Romanian Provocations—An Article by Prof. St. Pascu, Member of the Academy of the Socialist Republic of Romania, and Prof. St. Stefanescu, Corresponding Member of the Academy of the Socialist Republic of Romania in ROMANIA LIBERA of 21 June 1989"—AGERPRES headline]

[Text] Bucharest, AGERPRES 21/6/1989—It is with dismay and deep indignation that we learned about the events in Budapest these days when onetime Hungarian political men were reinterred, which turned into a political action with an obvious fascist, irredentist, anti-socialist and anti-Romanian character.

Having dedicated ourselves to the science of history, we cannot ignore a most important thing it has taught us: That it is magistra vitae and nobody should ever forget its lessons. Unfortunately, not always and not everywhere are the lessons of history, a wise counsel, heeded. The recent events in neighbor Hungary are just another proof of what a deliberate ignorance of the lessons of history may lead to.

The evaluation of some events and of the role of certain political personalities is the concern of the Hungarian leadership, of the people of Hungary. But what happened in Budapest at the end of last week is a reason for serious concern. The facts as well as the statements of some participants are definitely against the general interests of socialism and a serious threat to stability and peace in this region of Europe.

The said commemoration was used to unleash anti-communist manifestations the course of which recalled the darkest days of fascism: The socialist system and the Hungarian Socialist Worker Party came under direct attack and its liquidation was urged, it being considered by some participants an "obstacle" in the way of widely advertised "reformist" projects. Revanchist incitations to "crush" communism "or else, the Hungarian people will have to dig new graves," it was threatened, did not miss, nor did the attacks directed against the socialist system, against certain socialist countries, against the Warsaw Treaty. [sentence as received]

Can one possibly forget that the ascent of fascism began by anti-communist assaults? And this is not the only question one may ask.

Older and more recent "experiences" showed that more than once did the enemies of socialism, counter-revolutionary forces make use of so-called "renewing" demagogic slogans and pronouncements.

This action, by the seriousness of its implications, by its hostile character which is against the interests of the Hungarian people, surpasses even the events of sad remembrance under the Horthy regime.

The recrudescence of anti-socialist forces in Hungary takes place at a time when the Horthyist reactionary forces in the West, whose "prominent" representatives were present at the recent commemoration in Budapest, are particularly active. And it is no accident that, at the same time, the forces that are most hostile to socialism commend the official concessive and "flexible" attitude to the activities of the most reactionary circles in that country.

It is obvious that stimulated and supported from the outside, tolerated inside through a policy of abdications and concessions, the anti-socialist, reactionary forces raise their head more and more insolently and pass to action, which is most eloquently proved also by the recent events in Budapest.

Since certain political circles like often to invoke the Helsinki Final Act, they should not forget that this document, which bears the signature of the 35 participating states, Hungary included, enshrines clear obligations and commitments regarding the inadmissibility of tolerating fascist, revisionist manifestations which incite to hatred and violence, to actions against the state order.

We think it is particularly serious and highly dangerous that the Magyar reactionary forces took that opportunity for another anti-Romanian provocation through the participation of declasse, legionary, fascist individuals in the above-mentioned event, who found shelter and asylum in Hungary or came there from Western countries. They are traitors to their country in the service of reactionary circles, in Hungary included, and in their pay, having been "accredited" abusively and provokingly as "representatives" of the Romanian people. Such a participation, inspired and sponsored by reactionary circles in Budapest that hurts the Romanian people's feelings, flagrantly runs counter to the principles written down in the Romanian-Hungarian Treaty of Friendship and Collaboration, to the norms of international relations.

The question naturally arises: Who do such practices serve, what is their aim? They certainly do not serve the cause of friendship and collaboration, the cause of socialism.

Such irresponsible actions add to other anti-Romanian hostile actions stirred by various tendentious statements made by the exponents of certain circles in the Hungarian People's Republic. In their anti-Romanian campaign, these circles do not hesitate to join the most relentless forces of the anti-socialist and anti-communist propaganda whose defamatory statements are printed by the Hungarian press and broadcast by the radio and television stations.

The aim of all this is in fact diversion and hatemongering, to divert the Hungarian people's attention from the serious socioeconomic problems it has to cope with now, and stir its own citizens to most reactionary actions. That is why we, like the whole Romanian people, reject most indignantly such provocative, anti-socialist, chauvinistic, anti-Romanian demonstrations.

As historians who respect the sacred patrimony of the past in which the conscience and dignity of a nation is rooted, we cannot be indifferent to the gross violation of the principles which must govern the relations between sovereign states, especially when they are neighbours.

In the name of these principles, it is in the interests of our countries and of socialism that any provocative action should stop so that the Romanian-Hungarian relations may develop in the spirit of cooperation, confidence and good neighbourliness, on the basis of the principles of respect for national independence and sovereignty, fully equal rights, non-interference in internal affairs and mutual advantage, of the other principles enshrined in the Treaty of Friendship, Collaboration and Mutual Assistance as well as in other joint documents.

Progress on the path of understanding and good neighbourliness calls for a complete renunciation of provocations and diversions. Insults and slanders can but deeply harm the relations between the two neighbour countries and their development prospects.

History has proved that hatemongering, the incitation to hatred has never brought anything good to interstate relations. It has righteously been said that a country which cultivates hatred for another country becomes itself a slave to its hostility.

As the general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, Comrade Nicolae Ceausescu, has stated more than once, "the interest of the Romanian people and of the Hungarian people is to live in good neighbourhood, to actively cooperate in all spheres for the building of socialism, the rise of their standard of living, and the ensurance of each nation's independence. Only in this way shall the interests of the Romanian nation as well as of the Hungarian nation, the interests of peace and collaboration worldwide be properly served."

It is the interests of our peoples that have lived in neighbourhood for many centuries that both sides do their utmost for the development of collaboration and friendship, of an active cooperation, in the spirit of mutual esteem and regard, for the benefit of socialist construction in the two countries, of the general cause of socialism and peace.

Today the Romanian people is closely united around its Communist Party. A master of its own country, it has committed itself to consistently building socialism, and concentrates all its creative efforts on the attainment of the lofty goals of socioeconomic development it set to itself for the steady progress of the country. Nothing and nobody shall lead it astray, nothing shall swerve it to develop and safeguard the principles and supreme values of socialism, its revolutionary achievements, to live in dignity, freedom and independence, to be the master of its destiny.

'Intensive Growth' in Economy, National Income

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["The National Income in the Equation of Intensive Growth"—AGERPRES headline]

[Text] Bucharest, AGERPRES 20/6/1989—The evolution of the national income puts Romania in the group of the countries with the highest rate of growth. This year it will be 40 times as big as in 1945, with more than four fifths of the growths being achieved since 1965, the year of the Ninth RCP [Romanian Communist Party] Congress. The annual increase of the national income averaged more than 30 billion lei in the past twenty-three years, or four times as much as during 1951-65. It took one year to make 35 billion lei in national income in 1950 but less than 15 days to make as much now.

The substantial growth was the basis for development and for the creation of a strong technological and material base. The national wealth has increased more than 20 times from 1945. The industrial production of 1989 will be 135 times as large as in the same reference year, and the agricultural output—ten times so. The achievements in the development of the forces of production have considerably narrowed down the economic gap. Half the world average in the early sixties, the national income per capita—the criterion for comparison in international statistics—is now equal to it (at the commercial rate, because at the noncommercial rate it is sensibly higher). Also in terms of other major economic growth indices has the gap been bridged: Inasmuch as production per capita is concerned, Romania is on a level with many developed countries, and there are industries the performance of which is at the level of certain highly developed countries.

The social product-national income relationship and its evolution are relevant for the Romanian Communist Party's economic strategy which steadily pursued a growing efficiency of the national development effort, especially in the past twenty years. With the exception of several years in the 1951-60 decade, until 1970 the social product growth exceeded the growth of the national income, particularly over 1966-70. The 1971-75 five-year plan marked a change in national income dynamics: The average annual rate of growth of the national income—11.3 percent—was higher than that of the social product—10.5 percent.

That positive trend continued into the 1976-80 five-year period and gained momentum during 1981-85 when, with 4.4 percent, the national income growth outstripped the social product rise of 3.3 percent, notwithstanding the problems confronting the national economy.

How does Romania use its national income? The RCP prides itself with having set its economic policy on the principle of accumulation, which gives perspective, not on consumer criteria. "The future of the country depends first of all on what is set aside for the growth of the national wealth, not on what is consumed at a particular time" stressed President Nicolae Ceausescu. According to this responsible view, since 1965 Romania has systematically allotted about one third of the national income to development. Account was taken in optimizing the accumulation-to-consumption ratio of its impact on the balance of the economy, on the development potential of the national economic complex, on the economic growth rate, and on the possibilities to satisfy consumers demands. One can easily grasp the idea that, if in the accumulation-to-consumption ratio, the balance now tips to the former, the long-term aim is to increase the consumption fund.

There is an interrelationship between the accumulation rate, the national income dynamics and the growth of the consumption fund. A high rate of accumulation since 1965 has been behind the higher national income and the larger consumption fund per capita, as well as the substantially larger total consumption fund with every passing five-year plan.

The Romanian experience, the achievements in the last two decades when the population's incomes—by work and from social funds—have increased steadily, the resolution in broad outline of the housing problem, the improvement of the quality of life, fully confirm the fact that not only did the high rate of accumulation not down the standard of living dynamics, but it had actually the opposite effect. A relevant example is the 1981-89 span of time when more than 2,000 billion lei (or more than US 200 billion [dollars] at the non-commercial rate) were allotted to development. The result: This year's industrial production is 50 percent up on that of 1980, sales to the population at current prices are 40 percent larger, the total wage fund has grown about 60 percent, and the average pay has risen some 50 percent. Furthermore, child benefits have been increased by about 70 percent, and social spending per capita by more than 44 percent, and over one million flats were built.

Markovic Presents Economic Plan, Draws Reactions

Delivers Speech to Assembly

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[Speech by Ante Markovic, president of the Federal Executive Council, at the joint session of both chambers of the SFRY Assembly in Belgrade—live]

[Text] Comrade delegates, comrade presidents, I thank you on behalf of the Federal Executive Council [FEC], and on my own behalf, for providing me with the opportunity to try to add to this speech certain elements and the explanation of the measures that are in front of you, about which you will have to make decisions.

We are talking about all measures and proposals that refer to the establishment of an integral market through the laws that are before you, measures that refer to deregulation and the independence of economic entities; to the state's attitudes toward the economy, economic entities, and the market; to macroeconomic policy and making the state capable of fulfilling this function, to the development policy; as well as to the measures of the current economic policy.

I must stress that all the proposals that are before you are consistent. They are systemic and have an anti-inflationary character in both the short and long term. Before I say something about these measures, allow me to say something about the circumstance in which we are, about what is going on in the world, about something that will necessarily affect us just as the things that are happening in our country will, at least modestly, contribute to what is happening in the world.

Of course, my ambition is not to provide you with an all-round account or a profound analysis, because this would require much more time. I will first speak about those issues which I regard as relevant to everything that is happening in our country.

I do not think that I will say anything new if I say that we are the witnesses of changes in relations between the two blocs and the the two superpowers, and that this change between their relations and tensions between them has had an influence on the trends in the world and Europe as a whole, as well as on some of their elements, and on interstate, political, economic, diplomatic, and military aspects.

This reduction in tensions, which is of a certain trend, is, of course, still an ongoing process, but it is a very positive one and is, of course, creating certain conditions under which we also can solve our problems more easily. In this respect, one of the major problems is the problem of excessive debts of the undeveloped world. The most developed parts of the world have also started to take interest and to tackle this problem while understanding, or beginning to understand, that by not resolving the problems of the undeveloped world they are becoming the key constraint for the development of the developed world, regardless of the fact that world relations have changed in many ways and that commodity relations have begun to increasingly be replaced by science and technology. Science and technology are becoming dominant and are themselves becoming a commodity, and that capital has taken over the role of trade. In this process raw materials, because of the development of science, technology and capital, as well as a cheap labor force, are becoming less and less of a comparative advantage and are being replaced by new comparative advantages which we also must take into consideration in our development.

In this process we must not ignore a fast-emerging orientation that political and particularly human freedoms, are becoming an important and increasingly important factor in value systems, their level of development, and democracy. In this respect and under such conditions, major changes are taking place in the socialist world. It is obvious that we are witnesses to the socialist world and socialist countries lagging behind the development in the world in varying degrees. This is the cause of the emergence of crisis in almost all countries of the socialist world.

Enormous internal tensions, not only social but also economic and political tensions, are present more and more.

All socialist countries are seeking a way out of the crisis through reforms. They are trying to find changes that will increase their society's economic efficiency and ensure a new quality of development. They are seeking ways out that very often look tempestuous. After all, we and the entire world are witnessing this.

The attitude of conservative, extreme leftist forces, to prevent the process of reform, and the chances of progressive forces in all these countries to further it, realize it, or radicalize it are very much present and more and more tempestuous. All kinds of solutions exist, ranging from very democratic ones, even those that one would call pluralist party solutions, to those that are undemocratic or cause bloodshed [do krvi], solutions that can change the relation of forces to such an extent that they may predetermine the development in some of these countries over a longer period of time.

It is obvious that the transformation of socialist systems into economically efficient and politically democratic ones is far from being an easy or simple process. It causes many controversies, divergences, and searching, but it is more or less obvious to everybody, or at least to a majority, that without entering such a process of big changes it is impossible to solve the contradictions of any system, including socialism.

In this respect, while drawing experience from all trends, we must seek and we are seeking our own solutions which are known: our orientation toward social, economic, and political reforms, reforms of people, reforms encompassing the entire system and its parts have been clearly established at the first conference of the League of Communists [LC], in the Constitution and its provisions, and in the proposals you now have in front of you and upon which should decide. The world supports our reforms. Everybody does so in his own way, of course, because our position and role have changed in many aspects. Our role is not the same as before. The long crisis we have been experiencing, our incapability to solve our internal problems and the contradictions of our development, and all that has happened and is still happening in the socialist world have not only pushed us aside from world trends but have caused us to cease being the bridge between the two worlds that we used to be or at least considered ourselves to have been before.

On the contrary, trends in some other countries look more attractive than those in ours, although I am of the opinion that some of the most recent events will change this. The FEC program is very much supported as very progressive and virtually in no need of an alternative, but there are also reserves about the political practice in our country which, as is very much stressed not only by the media, but also in the talks with all foreign representatives, very often negates the program.

There is also a negative opinion about political trends dominated by our political crises, inter-republican relations and bickering, ethnic and interethnic conflicts, conflicts and blockages in the LC of Yugoslavia [LCY], strikes, demonstrations, Kosovo, and so on. There is a negative view of our incapability to solve the contradictions of our development which are expressed by increasing inflation that had become hyperinflation at the beginning of this year.

There are great expectations by both the capitalist and the progressive movements in socialist countries that Yugoslavia will manage to find its way out of the crisis and to open space for the development of a new type of socialism capable of finding an efficient economic system with independent economic entities and the development of political democracy, with man in its center and his rights to decide about his own destiny and the destiny of his society.

I think that everything awaiting us in this respect, and one case is the nonaligned summit, is another chance for us to carry out the revitalization of our policy and show that our system has started to solve the crisis, and that it is capable of taking up such an important role as heading the Nonaligned Movement.

The conditions under which the FEC has taken over office are well known. What we inherited from last year is very clear: all negative trends were escalating, including hyper-inflation and events in Kosovo which somehow happened at the time when this FEC was taking over office. We also inherited other things, particularly those that happened in the last 2 years. These include: stagflation; a falling national product which used to have the tendency to rise; a falling standard of living; an increase in inflation which was showing the first signs of possible new external illiquidity caused by a fall in foreign exchange savings and foreign exchange reserves, which had marked an exponential rise in the first quarter of this year. The unstable market, which is insufficiently supplied with goods, and a real fall in personal incomes in the first and second month of this year were characteristic of the situation and have intensified not only social tensions, but also economic and political tensions.

As I have already said, you have in front of you the entire program of measures and proposals, which contain a consistent proposal to amend all laws that apply to the system, macroeconomic policy, development policy, and current economic policy.

The systemic solutions that are before you—we have already asked you to adopt some of them through an urgent procedure—primarily apply to the elimination of defects in the basic economic-systemic laws which, despite a significant progress made through the constitutional changes, still contain many solutions that are part of the arsenal of the consensus economy. It was necessary to carry out changes in the (?present) Law on Enterprises, the Law on Banks, the Law on Financing, and the Law of Accounting so that we can in fact consistently enter a new market system which must reflect the integrated nature of the market system.

All the new laws that we have proposed have been consistently following this path. This applies to the Law on Foreign Exchange Operations, the Law on Business Operations With Other Countries, the Law on the National Bank of Yugoslavia, and all other laws that refer to work and work relations, as well as to those which we currently working on, the Law on Taxation and the Taxation System.

One could in fact say that all the segments of the economic system and the integrated market, which determine the condition for conducting business affairs and create institutional conditions needed to transform economic entities into market commodity producers, have been formed. These changes and proposed changes are creating the conditions for the development of a market economy and an economic system that will facilitate the freedom and independence of economic entities. They will also facilitate the necessary role of the state in inducing through macro policy development, and in this way ensuring economic equilibrium, a dynamic development and convertability of the currency, thus opening the way to the development of an efficient, mixed-type economy that is open to the world and accompanied by the democratic development of society and self-management under the conditions so created.

Out of this entire complex of measures and proposals, I would only like to stress the following: They establish the pluralism of ownership forms—private, mixed, cooperative, and social ownership in the unified integrated Yugoslav economic system. The social property that does not belong to anybody must be transformed into social capital and must have an identifiable owner, who as such bears the consequences for its business operations.

The transformation of ownership from one form to another, as well as the transformation of organizational forms from one type to another, has been completely facilitated and can be carried out without any trauma through a normal process of transformations which will require changes in our society in order to increase the economy's efficiency and ensure productivity.

In this process, competition as a strong stimulus for increasing productivity must be present. There must be a competition of ownership, organizational forms, goods, knowledge, capital, and of [words indistinct].

As I have already said, with these proposals we are trying to ensure the establishment of a unified economic system for all entities and for the country as a whole. I will not elaborate on some laws and what they mean. I could devote to each one of them the same amount of time that I am devoting to this speech. This refers to all laws, on enterprises, on banks, on finances, on liquidity and insolvency, and on accounting and its effects on inflation through indexation, and on what we are changing at present so that this element is eliminated.

This also refers to the Law on Economic Relations With Other Countries, which means strong deregulation. Some 70 percent of the ordinances are being rescinded. We are doing our best to enable economic entities to become the exponents of relations with other countries, to make them accountable on the basis of their rights, and, at the same time and in connection with it, to enable them to regulate those relations in the domestic market that stem from economic relations with other countries.

We have introduced major changes in work relations. These changes should prevent the monopolization of the work place; they should open the scope to competition and the scope to motivation, they should distinguish between or draw a line between the functions of self-management and management, with the latter being given more powers as well as considerably more responsibility.

We have created institutional conditions needed to strengthen financial discipline and security in economic and legal transactions. There are many other things to agree on concerning the fiscal and taxation system. I will speak about this later.

On the basis of all these changes we have created the opportunity to effectively conduct the macroeconomic policy, the monetary policy, the credit policy, and the policy of economic relations with other countries. Unfortunately, the taxation policy will not be affected to the same extent, but there is still enough scope to do more in this respect than, I would say, the form of solutions provided by the constitutional changes enables us to do.

It is very important to say that, because of joint investments, we plan to introduce another system of financing to the entire expanded production system instead of hypertrophic credit relations and power and the state and politics over the economy and enterprises that emerged from this.

Since time is our big enemy, if not the biggest enemy that we need to confront in the next period, we pleaded for the shortening of deadlines in adopting some laws. We also proposed shorter deadlines for putting these into practice. In fact all these laws should start to function by the beginning of next year, at the latest. Everything new that should be established, proceeding from enterprises, banks, and so forth, must be founded on the completely new concept and policy with the adoption of the laws.

As you can see, all these measures that are in front of you have considerable anti-inflationary meaning, not only in the long term, when these anti-inflationary effects would stem from the emergence of the market and its consequences on efficiency, rationality, and an increase in productivity, but also in the short term, when there would be an immediate effect of the Law on Accounting on a reduction in inflationary pressure.

I would also like to point out that the rest of our packet of measures, which is to say the entire program of measures that is in front of you—I would not want to elaborate on every point, because this is not necessary since you have it—is on the whole developing and anti-inflationary.

It is from this aspect that I would like to say something about all the measures that we have already undertaken as well as those we now suggest should be undertaken.

The current economic policy toward which the FEC has oriented itself, along with solving and preparing all these systemic laws that you have in front of you has started from liberalization, something which is in conformity with the orientations set by laws. There is the liberalization of prices, about 85 percent of which have already been liberalized; the liberalization of imports, about 65 percent of which have already been liberalized; the liberalization of the right to dispose of foreign exchange and the stimulation of foreign exchange savings; the liberalization of personal incomes by abolishing the law on personal incomes, that is, on limiting personal incomes; as well as the law on restricting common spending which has ceased to be effective and which we decided not to renew after the end of this month.

I would like to stress that those measures that we have undertaken so far have already rendered marvelous results which have created conditions for a high-quality battle against inflation. First of all, one should stress that measures concerning the liberalization of prices and imports have considerably increased production and production continued its tendency to increase during April and May. This May it was 4 percent higher than last year. This was made possible by increasing imports by 20.5 percent in 5 months.

It is very significant, however, that during the first quarter of this year, there was a danger of a tendency toward foreign exchange illiquidity. On the one hand, foreign exchange savings were rapidly diminishing—they decreased by $26 million in February and by $113 million in March—and the National Bank intervention on the foreign exchange market exceeded $300 million. However, in the last 2 months alone, foreign exchange savings increased so much that all decreases during the first 3 months were made up in 1 month alone; they increased by $153 million during April and underwent an identical increase during May.

One should stress here that short term loans to foreign countries have been reduced during this period of 5 months by $382 million, that imports have increased by 20.5 percent, that foreign exchange reserves have reached the level at which they were at the end of last year, and that after a long period of time, as of 1 June, the National Bank has been buying foreign exchange again. As of 12 June the National Bank had bought over $102 million from citizens, which means that our foreign exchange reserves have been increasing and our economic relations with foreign countries stabilizing from the aspect of foreign exchange liquidity.

One should say here that we have paid all of our dues in time and without delay. We are now facing a period in which there is the most foreign exchange inflow, and on the basis of that I can say on behalf of the FEC that we have ensured external liquidity, foreign exchange liquidity for this year, and that from that point of view we can now carry out the policy we could not carry out before, as well as a clearly defined anti-inflationary policy.

No country with high inflation ever had established stable economic relations with foreign countries or had managed to ensure external liquidity, because had it been able to do so, it would not have had those problems at all.

I must say that on this basis, we can now say that we will be able to set the exchange rate on the basis of supply and demand, which was not the case before. Of course, this will have to be corrected in this transitional period, both with the balance of payments and its state and with price movements. However, we are putting supply and demand in the priority position, which also cannot help but have an important influence on changes in inflation.

The other series of measures, if I can call it that, which we have undertaken and which is already having a quite specific effect, which has not completely come to the fore and [words indistinct] in the market itself, is the relieving of the economy. As you know, the former FEC had already taken away the burden on the export input which amounts to a total of more than 17,000 billion new dinars, and we have continued this. I will not talk now about what this means, among other things, for all producers or about how much this has reduced all the pressure on the increase in prices, and especially about how much this allows exporters to be able to have fewer burdens in setting export prices. However, the most significant action was taken in expenditure, in the budget.

As you can see from the proposal, we have unified the budget. The increase in the budget is slower than the increase in the social product by 27.8 percent. The share of the social product has been reduced from 11.7 percent to 8.5 percent. In this respect, there has been a significant reduction in the allocation of funds for the Yugoslav People's Army [YPA] from 5.2 to 4.6, which is in fact below 4.5, because this 4.6 percent also includes liabilities carried over from last year, as well as the expenditure the YPA has had because of its presence in Kosovo.

In this respect, I must say that a very important step has been taken which, by uniting extra-budgetary spending with the budget into one united budget, not only raises the possibility of using the budget more rationally and controlling it more effectively, but also excludes all those items that do not have a place in the budget. I must stress that we decided to permanently leave in the budget for the next few years, only that which relates to agriculture—and I will say something more about this later—and eliminate all other interventions in the economy except those which relate to supporting exports.

We think that the Federal Assembly should adopt a decision which will oblige the assemblies of the republics and provinces and the communal assemblies to take identical steps in the budget and budgetary spending in order to unify it at all levels and in order to reduce the pressure of budgetary expenses on the increase in production costs, and we stress that budgetary expenditure should make up at the most 30 percent of the public sector's spending.

Connected with this, it is exceptionally important to stress that not one state which has entered the struggle against inflation has succeeded in halting inflation, let alone reducing it, without making great reductions in its budgetary spending. For our part, we made these reductions.

The second prerequisite for making a move connected with this, which will prevent the regeneration of inflation, is financial consolidation. I must say that we have decided on this and have identified the debts at the federal level. We have concluded that we must turn these into a public debt, and of the debts which amount to

57,000 billion new dinars at the federal level, it is envisaged that 12,450 billion will be repaid from this year's budget, which means that this reduced budget, which makes up 8.5 percent of the social product, contains 17.1 percent of the whole budgetary participation in repaying the debts which will fall due to the federation this year.

We believe that at all levels of the sociopolitical communities—republics, provinces, communes—one should also identify the debts, and all the dubious debts should be converted into public debts of these sociopolitical communities, and real sources for repaying them should be found.

We also think, and this is a prerequisite required by the law, that all the banks, not only those that are newly formed, but all the banks that should be set up in the new way, should also identify their debts. The powers that have been bestowed on the National Bank of Yugoslavia by the National Bank Law and the Law on Banks empower it to grant licenses to the banks, and it has the duty and the right to establish whether the banks have identified their deficits, whether they have marked them as debt, and whether they have found sources for paying them off. If banks have such debts, they will primarily have to write them off with their own resources, their operational fund, and their capital. If this is lacking, the banks themselves will have to ask to be rescued by other banks or by sociopolitical communities. Through issuing securities and selling them on the market, or in some other way, these communities could help to rescue them, and they would rescue them not only with unallocated capital [anonimni kapital] but with the capital that would enable these rescuers to obtain the right to manage the banks. If the banks are not able to achieve this, they will have to be liquidated.

The same applies to all the economic enterprises, all the organizations. The new law on enterprises that requires their transformation from enterprises with a non-ownership nature of ownership [poduzeca sa nevlasnickim karakterom vlasnistva] into enterprises with social capital ownership, must also require that this ownership and a named owner be identified. On this basis, one should establish all the losses at the level of enterprises and all the deficits, and it should be demanded that they be rescued. In principle, the road may be the same as the one I described when I spoke about the banks: primarily the operational fund, as well as financial rescue by the partners, the creditors, the suppliers, the banks, and the sociopolitical communities, followed by liquidation measures, or, ultimately—something that we have to decide upon—the sale of certain parts of an enterprise or the enterprise as a whole to partners in Yugoslavia or abroad.

I must say that the latest talks that are being conducted about the sale of FENI [Ferro-nickel combine of Kavadarci] and its revival show that such interest may be aroused abroad, of course provided that we admit the market value of such projects and do not insist on their nominal value. I think that great chances exist to revive a corpse and to show what positive consequences of such a process may be gained, a process that, if it occurs, will make a tremendous contribution to the improvement of the position of Macedonia as well as Yugoslavia.

We must decide in favor of this quite clearly. In building society with mixed ownership, society with mixed enterprises, we must open up the opportunity for those enterprises that are not capable of rescuing themselves to put themselves on the market and to search for solutions, instead of constantly searching for a solution through printing new money and through the mint of the National Bank of Yugoslavia, thus incessantly increasing inflation at the expense of all and of everybody.

On behalf of the FEC I propose to the SFRY Assembly to adopt special conclusions, both on expenditure and budgets, and on this sector of financial consolidation. If that is at all possible and is in conformity with the orientations in all these laws you have in front of you, this conclusion should represent a decision on the need to consequently carry out this process and to begin doing so immediately after the laws are adopted.

The measures of credit-monetary policy have been following the same line. I must say that the great availability of funds which must come as a result of the reduction of duties—particularly on imports and then through the release of funds in budgets—these large funds, the figures which I have just presented, must not go to expenditure, but to development and exports. In order to direct them to development and exports and not to expenditure, and thereby not support inflation but, on the contrary, curb it, we had to work in the credit-monetary sphere. I must say that we diagnosed, discovered, and identified all inflationary sources in the credit-monetary policy.

Unfortunately, I must tell you that in the first 4 months money supply increased faster than the prices. This was not because the so-called regular or regulated monetary policy had not been restrictive enough, although that is also the case, but above all because all other money issue currents, autonomous, quasi-regular, the ones between banks and enterprises, or between enterprises themselves, irregular use of bills of exchange—a bill of exchange in Yugoslavia today is a surrogate of money and not proof that there is money that should be paid out—unauthorized use of checks, as well as payment of personal incomes for a period shorter than 1 month, all create new money issue. The increase of funds in the clearing account by $492 million alone has resulted in a 3.5 times larger issue of money than the complete regulated money issue. It is clear that we cannot wage the battle against inflation in this way. What is involved is not only carrying out a restrictive, even hard monetary policy; we must encompass the entire monetary sphere, all its parts, and control them all and reduce them all, as we have stated, by 30 percent of the money supply, and the increase in restriction rate [rast stupnja restriktivnosti] on all deposits, including foreign exchange ones, must be at least 14 percent. Without this there is no guarantee that we will manage to control the monetary sphere and no guarantee that all that we have achieved which I have mentioned before will not be used to get into a deeper crisis and higher inflation instead of to get out of it.

The FEC has assessed that we simply have no choice in this matter. I must say that there is a considerably greater possibility that in this respect the National Bank of Yugoslavia can exert influence on these trends. If the information I possess is correct, there are certain vacillations about accepting such a policy even in the Council of the National Bank Governors; it has concluded to make decisions about these measures after the end of this session. It would be good if they did that consistently to the end. If that is not the case, the FEC, being responsible for this country's destiny, would have to bear the consequences.

In this respect, we are trying to establish new relations between the National Bank of Yugoslavia and commercial banks. In general terms, this will facilitate a flexible way to conduct our policies: the policy of discount rate whereby the discount rate must be the highest rate in the country; the policy of reserves which must regulate and exert influence on policy. We think that all this will enable us to start conducting a market policy, which is to say the policy of demand and supply, in the sphere of interest rates and exchange rates, and curb inflation, too.

There is another large area that needs to be put in order. This is fiscal policy. We must work on its developmental, economic, and social aspects. Unfortunately, in this respect the constitutional solutions have not provided sufficient basis to carry out consistent changes in the sphere of fiscal policy where there is a large number of those who make decisions, those who make decisions independently, and who hinder the necessary correction of what is happening in the market through fiscal policy.

You will soon be presented with a proposal of one law and two agreements which should regulate the parts of the system as well as the policy which the law cannot regulate, and we think that they should be drafted jointly, that they should be used to harmonize the system and the taxation policy, as well as the system of allowances that will induce development.

We are ready to work on the drafting of these two agreements, and we are already working on them, although this is not the FEC's duty because the part that refers to agreements should be drafted by the republics and provinces. We are also of the opinion that we should make these proposals together with the representatives of the republics and province, and to harmonize them here in the SFRY Assembly.

The system would not entirely work in an anti-inflationary way unless we resolve the question of income, distribution, and real motivation. We favor everything that stems from the results of work, the results of work that can be identified, because, I must say, the bulk of personal incomes is today paid out as an advance payment. If there were a way to properly monitor the results of work on a monthly, bi-monthly, weekly, and daily basis, there would be no problem in paying out personal incomes at any time. However, we in fact do not have any results. What we have been paying out so far were advance payments which were basically generated through indexation. I think that today theory is quite clear. Let me put it into simple terms: The quantity of money and the velocity of its circulation are equal to the aggregate supply of goods and the speed of increase of inflation. From this it is clear and obvious that with the quantity of money and the quantity of goods being constant, the velocity of circulation is directly dependent on the velocity of paying out personal incomes, which in fact directly affects inflation.

However, we are of the opinion that this is the area in which we still have to work very seriously. It is obvious that now, in this transitional period, we must work on reaching a social agreement. Although the FEC is of the opinion, and this is also my personal view, that by developing a mixed economy and mixed society in which we will have an increasing number of private and mixed enterprises in which the relations concerning the distribution of income on the basis of a collective agreement will become dominant and will need to be regulated, collective agreement, which will form the basis for reaching concrete agreement with every economic entity, will require us to reexamine our policy of accords in the long run. The tendency will probably be that in the future the solutions will be sought on the basis of collective agreements in general. In this context the importance of the trade union and its transformation in this respect will be of great importance. We all need to put a lot of work into this.

Social activities can make an important contribution to reducing inflation but not in the way that they have been treated before, as a cost, an expenditure, and required to reduce their share of revenue, but by in fact increasing, what I would call, their participation in solving the problems of society, by integrating into society, establishing direct relations in which the huge forces which are to be found in social activities fight together with economic entities in order to create as much income and earnings as possible, instead of fighting for their share of the ever diminishing cake, as they have done until now.

In this respect, we have already decided in the Law on Enterprises to facilitate the formation of enterprises in the social sphere on a profitable basis as well. We can begin to set these enterprises up and they can begin to function as soon as the law is passed.

Everything that we will undertake, about which I spoke a short time ago, cannot help but cause serious difficulties. It is obvious that great problems will arise that will require radical measures. There will also be problems with liquidity, there will be problems with development, there will, of course, be problems with production which will not be able to increase in the way that it has increased until now and should not increase if there is no demand for exports and if there is no demand on the domestic market.

Therefore, one will have to take all the more account of social policy and of its measures. You know that it is the orientation of the FEC that social problems can no longer be resolved only in the sphere of social policy but primarily in the sphere of economic developmental policy. However, by taking account of the fact that concern for the unemployed and social cases must be the concern of the social political community and the concern of enterprises, the FEC supports the formulation of a social program at the level of all sociopolitical communities and it is prepared to meet with the executive councils of the republics and provinces to help provide through the taxation system and system of allowances and other measures in their powers the most necessary finance which will be engaged in the social sphere.

I think that it is very important for the revival of production which must follow and which must have real demand, to create opportunities for new development, development on a new concept which contains major structural changes. Apart from those which are discussed in the documents that you have, I would only stress housing policy in which one should, by stimulating savings and building for the market, facilitate the purchase of social housing primarily through an economic rent. If someone who is a tenant in an apartment agrees to pay the full economic rent, they should be allowed to own the apartment in 20 or 30 years. Conditions for loans for new housing should be established on the same basis. A solution should be found in cooperation with the republics and provinces which will also facilitate the initiation of the process of housing construction because the housing problem has become one of the most serious social problems.

Out of all the other policy measures, I would mention only agriculture, for which we have decided that it will be permanently supported in the budget but it must be oriented toward exports and it must be connected with tourism. We have liberalized these prices and we will give it support but not on the basis of the existing structure. Agriculture must carry out its own changes which the new character and treatment of ownership will allow it to have, within which peasants, farmers, and small businesses should be at the center.

Let me just make two other points. We also need foreign support for the entire program you have before you. In the introduction I said something about the world's attitude toward us. I would like to say something else. It is very important that Yugoslavia's debt has not exceeded more than 40 percent of the social product, in comparison with most of the highly indebted countries where the debt is much greater. It should also be said that the hard currency debt is somewhat less than 50 percent greater than the total hard currency inflow, which is also much better than in the majority of the most indebted countries [sentence as heard].

One should also say that Yugoslavia has paid $8.3 billion dollars as interest in the last 3 years alone. This equals 3 to 4 percent of its annual social product. Therefore, our social product should increase by 3 to 4 percent every year just to be able to pay interest. Of course, one need not even mention the impact that such debts and interest have on inflation.

Yugoslavia is the only one among highly indebted countries which has no more unsettled obligations now. It is paying interest on its entire debt. Even before the talks in the Paris Club we decided not to ask for further rescheduling of interest payments because our foreign exchange situation enables us to repay them regularly.

There is every reason for such a progressive program—this project that you have in front of you which, when you adopt it, will become the program of not only the FEC, but also the program of our country—to represent, together with all the measures that we shall undertake, the basis for strong support from all institutions. This includes the IMF with which we reached basic agreements on support it should give us: $500 million for 18 months, but unfortunately only $100 million this year. As you can see, with a clever policy, only savings bring us $150 million a year. There is no reason not to sign this agreement by summer and no need to postpone it until the fall.

The talks with the International Bank for Reconstruction and Development have been going on perfectly and they have the chance of bringing to Yugoslavia support worth between $800 and $1 billion [as heard] a year over the next 5 years. There are tendencies in Europe, through European groups, EFTA, the EEC, and one should not ignore CEMA either, to give us strong support and, through joint ventures and creating new export-oriented programs, enable us to prepare ourselves for 1992 and beyond, when, regardless of the existence or nonexistence of formal integration, our country will have to be better prepared, starting with its standard of living, modern production, and modern technology, so that it can adequately integrate itself into or establish normal relations with Europe which will then already be constituted in a certain way.

I think that the program of world support for us would have to be clearly defined and that we, setting up such a proposal of ours, should acquaint all leading world countries with it.

Now I wish to say something very important about our entire policy, especially about its anti-inflationary nature. I think that it should be stressed, and that it is a question of mutual confidence that the FEC, deciding in favor of this system that is before you, for these macroeconomic policy measures, these development policy measures, and these current policy measures, has no intention—perhaps I need not stress this, but some voices are heard saying it all the time—of imposing a price freeze or a pay freeze. On this aspect there is no need, there is no need at all, to disbelieve us. On this point there is no need at all to build in and to anticipate inflation in the prices charged by various enterprises, or to set personal incomes on such a basis.

Just as the trust by the FEC in our citizens as regards savings and foreign exchange has been reciprocated by the trust of the citizens and their depositing foreign exchange into savings accounts, thus in this case—taking into account that the matter here is more than mere trust because it is a matter of a quite consistent policy that we will conduct, a policy that will reduce spending on the domestic market—the economic subjects should begin taking care not to build anticipated inflation into their prices because the chances of selling goods on the market, especially poor quality goods, will be constantly decreasing. One knows what quality is demanded if one wants to sell to the world.

In this respect I must say that, along with everything that we have at our disposal—including a modern approach to commodity reserves, an encouragement of savings, especially the dinar, which should represent the stability of our money, the development of thrifts, and so forth—we shall pay maximum attention to this. In order that this program can succeed in its entirety, we need both political and social support, and we need both political and social consensus both on the concept and on the policy and its measures. We need support by all the progressive forces of our country, beginning with the LCY through the Socialist Alliance, the trade unions, the youth, the Veterans Federation, and enterprises, up to our citizens and especially the workers class.

In this respect I must say that these progressive forces are present in all parts of our country, just as conservative, dogmatic, and ultra-left are also present. This is a struggle not for a program, but a struggle for the fate of our country and its system.

In this respect, our unity is extremely important. I must stress that full, 100-percent unity of the FEC exists in this program. Through the 3 months of strenuous work, day and night, in setting up both a new system policy and a new macroeconomic and development policy, and a microeconomic and current economic policy, no one, literally not one of the FEC members took a separate stand, a separate stand by a republic or a nation. Setting up such unity, which follows a progressive course formed within the FEC, and its clear picture can be seen, we provide a guarantee that we will consistently struggle for the realization of the FEC program that is before you.

In this respect, we believe the unity of this assembly, as the supreme body with which the FEC alone must communicate and to which it bears responsibility, and through it to our people, is the change that must continue and that is the most important guarantee that we will implement the program which will make possible both a long-term way out of the crisis and a defeat of inflation.

A change in the manner of thinking, especially the behavior of (?labor), responsibility of all for the rights assumed, especially of us here and those who affect the economy, must be present and they will be a guarantee that this program will finally open the scope for our country to emerge from the crisis in which it has been for several years. Thank you. [applause]

Program Receives Mixed Reviews

AU2006114989 Zagreb VJESNIK in Serbo-Croatian 16 Jun 89 p 1

[Ratomir Petkovic commentary: "Applause and Criticism"]

[Text] Ante Markovic, president of the Federal Executive Council [FEC], could see that the road between tumultuous applause and sharp criticism is very short. His introductory speech on the new economic policy was applauded in the Yugoslav Parliament, but only a couple of hours later the federal government was subjected to very sharp criticism in the Chamber of Republics and Provinces. Nobody rejects the market orientation in principle, but advocating the policy of providing everybody with equal opportunities at the start hides numerous traps. So it happens that all the federal units support 90 percent of the program offered, but if one was to single out what they really agree on, this would amount to less than 10 percent.

Regardless of the fact that the previous government resigned, because it had realized that it cannot implement the economic reform, one should not make final conclusions about the fate of the program of measures, let alone about new economic policy, on the basis of the first discussion in the assembly. The federal government knows that it cannot fully count on plebiscite support, especially because the economic reform is a painful operation. The main danger to the announced changes does not exclusively and predominantly stem from economic reasons despite the fact that the economic circumstances under which the economic reform is supposed to be carried out are grave. Economic hardship has been oppressing people for 10 years but they could probably last a bit longer if the new orientation offers a bright future.

The trials of the economic reform hide mainly behind the political sphere and the new economic policy depends on political unity in the country. As has been admitted, many matters, including economic matters, lack political unity. At present there are significant differences on how to curb inflation. Some people advocate a swift intervention, but do not say of what kind, while the federal government is trying to convince us that its entire program is anti-inflationary and that one has to wait for the results. What remains to be seen is whether impatience will affect the ultimate fate of the program measures.

The president of the FEC is of the opinion that the fate of the country depends on the fate of the economic program. It remains to be seen how seriously this view will be taken. In any case, the existing political and economic milieu is hardly to the advantage of the new economic policy, but neither is the program of measures suited to maintaining the present situation. In any case, something will have to be changed.

The forthcoming assembly dialogue about the proposed bills, which still have to be agreed on, will demonstrate the real attitudes toward the new economic policy. This is why it would be premature to make any definite conclusions on the basis of the first reaction to the FEC's current work and to its declared intentions.

DELO Comments on Speech

AU2006134389 Ljubljana DELO in Slovene 15 Jun 89 p 1

["Topic of the Day" commentary by Bojana Jager: "Applause, Followed by Criticism"]

[Text] Markovic's speech on the government program of economic policy measures was accompanied by lively applause from the delegates' benches. Naive people would perhaps think that the delegates thus supported what the Federal Executive Council intends to do in the field of current and development policies. The government clearly made it known that even under the pressure of daily politics it is not prepared to reduce inflation and buy the confidence of the people with rash promises and by wielding ancient weapons. There will be no freeze of either pay or prices, and it is intended to bridle inflation with economic measures; these of course will directly affect all those who are unable to adjust to the market conditions without the patronage of the state.

A short hour after the speech and the applause, the Federal Executive Council experienced a deluge of criticism during the delegates' debate. It was reproached for raising optimistic dust, for being able to see well into distance but being blind to the problems of the moment, for not knowing how to tackle inflation, for being insensitive to social difficulties, and so forth. In a nutshell, we witnessed an unusually rapid change. This was partly explained by one of the delegates who said that everybody supports at least 90 percent of the program, but if all is added up, the program does not get even 10 percent of general support, which means that the entire concept is in question.

If this is the concept of the market orientation, the question of its survival is certainly posed. It has yet to be seen whether specific activities in the political structures will now run according to the recipe, first approval in principle, followed by reservation and criticism, and whether Markovic will get a reply to his request for political and social harmony.

Markovic Addresses Civil Protection Delegation

LD1906213889 Belgrade TANJUG Domestic Service in Serbo-Croatian 1517 GMT 19 Jun 89

[Text] Belgrade, 19 Jun (TANJUG)—On the occasion of 20 June, Civil Protection Day, Federal Executive Council [FEC] President Ante Markovic received a civil protection delegation in the Palace of the Federation today. The FEC president sent greetings to all civil protection members, the working people and citizens, and presented civil protection plaques to this year's winner: Janez ZeLljaric, Mijat Sukovic, Bozidar Colakovic, Lieutenant Colonel General Simeon Buncic, Bosko Lukic, and Colonel Ante Begovic. In the course of the ceremony Ante Markovic said the following:

Those involved in the civil protection system who have so far tackled numerous complex tasks successfully, must expect new duties in the period ahead. Precisely at a time when we are embarking determinedly on the consistent implementation of reforms in our country which are designed to pull us out of the crisis, Markovic stressed, civil protection tasks are gaining in importance. For, in the center of these processes aimed at opening up scope for developing a new socialism that is capable of establishing and consolidating an economically efficient system with autonomy for eocnomic entities and with political democracy, is man with all his rights to make decisions with regard to his own fate and even that of society. At the same time, this implies that we are all expected to be conscientious and disciplined in our jobs, whatever they may be, and to take care through our conduct at the place of work not to endanger ourselves, other people, or the environment, and not to damage ourselves, others, or society materially. The role of civil protection in this is paramount. ' In addition to FEC members, the ceremony was attended by Vice Admiral Stane Brovet, deputy federal secretary for national defense.

Markovic Talks With TV, Radio Representatives

LD2006223389 Belgrade TANJUG Domestic Service in Serbo-Croatian 1917 GMT 20 Jun 89

[Text] Belgrade, 20 Jun (TANJUG)—Federal Executive Council [FEC] President Ante Markovic had talks this evening with representatives of Zagreb radio and television and editors of the "Parliament Encounter" TV program which last year and this year was twice produced jointly by Zagreb TV and television stations in Leningrad and Budapest. A delegation from Zagreb radio and television informed the FEC president that the new media approach to some social and economic themes had received a good response from the public in this country and abroad. Both programs were widely watched and received very favorable assessments for their unusual treatment of some problems of social development in Yugoslavia and in the USSR and Hungary.

The FEC President, who in fact took part in the first Zagreb-Leningrad telebridge, supported the initiative of Zagreb radio and television to enable viewers to involve themselves in the future, too, in debates on certain subjects, from the local to the international level. Ante Markovic was briefed on the preparations for the third TV parliament program which is scheduled for the end of this month, and which should encourage public discussion, test public opinion, and make a contribution to the preparations of regulations for a subject which is currently very topical in Yugoslavia, the sale of socially-owned apartments.

Serbian-Slovenian Relations Termed 'Almost Cold'

LD2006122889 Belgrade TANJUG in English
1040 GMT 20 Jun 89

[Text] Zagreb, June 20 (TANJUG)—Yugoslavia's future depends on whether forces in favour of a legal state or those who are in favour of a party state will carry the day, Dr Zdravko Tomac evaluated today in the local weekly DANAS. He came out in favour of an asymmetrical federation to make possible various models of a political system to appear, thinking that such a solution would not affect but, on the contrary, solidify the country's stability.

A thing evident is, Tomac wrote, that, Slovenia, being Yugoslavia's most developed constituent republic, cannot develop further within a transformed model of state-run socialism, but, on the other hand, such a model can look like being the only salvation left to some environment.

An asymmetrical federation could be also workable in the conditions of a conventional one-party system in one republic and of a developed political pluralism in some other republic, Tomac considered.

In Tomac's viewing, a competition among such models would quickly call in question any model being not productive, non-democratic and opposed to the people's will.

An asymmetric federation would build up conditions for a way out of the present standing-pat situation in which speakers for individual models by way of homegenization in their own republic and a propaganda war try hard to prove that their model is the only correct one while disputing the legitimacy to all other models.

A discussion of changes to the 1974 Constitution in force now has started in Yugoslavia, but, instead of its being a tolerant one, being attempted is to be pushed through by way of pressures and propaganda are solutions fraught with the dangers of even deeper discords, conflicts and a crisis, Tomac said.

Those who are the most heavily attacking the 1974 Constitution think that it is bound to sponsor a crisis and nationalistic feelings. In doing so, Tomac said, either intentionally or unintentionally they pass in silence over the fact that national problems and conflicts are not consequent upon the implementation of constitutional solutions but upon constituting a system in practice quite contrary to constitutional principles.

In Yugoslavia, nobody can impose his solution on anybody else and, when it comes to differing interests it is obvious that a way out of the crisis leads to expanding confidence and a climate of joint responsibility and not to arousing fears and opposion by whole people, Tomic remarked.

At a time when Yugoslavia is faced with the job of amending its Constitution, its constituent republics of Slovenia and Serbia are indulging in recriminations of each wishing to impose their models on others and teach lessons [to] each other on the theme of democracy, he said.

Relations between the Yugoslav federation's above two republics have become "almost cold" these days. After Serbia's State Presidency sent Slovenia a letter, Milan Kucan, head of Slovenia's Communists, retorted at a gathering close to Ljubljana, chief city of Slovenia, by stating that Slovenia is not going to revise its stands nor to offer to talk with Serbia.

DELO Questions Serbia's Intentions, Direction

AU2006115589 Ljubljana DELO in Slovene
15 Jun 89 p 10

[Boris Jez commentary: "What Does Serbia Actually Want?"]

[Text] Yugoslav internal policy is full of dialectical triads (thesis, antithesis, synthesis) that are hard to comprehend. Let us recall, for instance, the process of abolition of Tito's relay race, which now in its "synthesis" has led to the spectacle of yesterday's most ardent believers in so-called Tito's road now making bonfires of their sacred relics. Something similar is happening to the idea of an asymmetric federation: the Slovenes theorize about it, the Serbs are outwardly indignant, but have already substantiated the idea, and we can only surmise what will come of it all.

The connoisseurs of all the apparent unpredictabilities of the present Yugoslavia should not be surprised by the latest NIN commentary which says among other things that asymmetry is not a specter haunting Serbia and

Yugoslavia, but haunting Slovenia. The Slovene criticism of Milosevic's speech at Jugoalat of Novi Sad and of the Serbian public loan was to show that we were more concerned about the asymmetric conduct of Serbia than of Slovenia. "Any reform step by Serbia, any reform step away from the policy of the Federal Executive Council, any reform step in the preparations for the change of the Constitution, and vigilance and determination of the majority of the political actions in Serbia are indeed an asymmetric, but nevertheless federal conduct, in comparison with the vacillation in Yugoslavia and its political nature."

If we clear these thoughts of all unnecessary rhetoric, we first get the admission that Serbia is in fact doing something "in its own way," which supposedly gives it a certain advantage that disturbs the Slovene media. After specific Serbian policy "steps" are listed in in this sense, there follows a thesis that is quite acceptable at first sight, to the effect that this "conduct" is indeed asymmetric, but that it is also federal. In fact this view of Yugoslav asymmetry is far from anything that has grown in the Slovene garden; the proposals from Slovenia are based on a "liberal" constitutional system which would make possible "a wealth of differences" in the federation. NIN commentary, however, understands asymmetry as a kind of a privileged revolutionary willfullness, which in essence means a suspension of the constitutional order.

The fact that the idea of an asymmetric federation has found its way into semi-official Serbian political rhetoric is interesting at this moment primarily in the light of a peculiar "pluralization" of political thought occurring in that republic. If we push aside some plainly skeptical views on the present events in Serbia (for instance Najdan Pasic's interview for Skopje VECER), it is clear that we are in fact witnessing a painful search for one's own identity, wavering between the "Yugoslav option" and the "Serbian option." The depth of this alternative was expressed by Dobrica Cosic in Budva recently, when he advocated a "renaissance" of the Serbian people that should abandon its traditional notion of Yugoslavism [jugoslovanstvo] and find new solutions "for the preservation of its national diaspora." According to Cosic, such Yugoslavism would continue to mean persistent sacrifices for a joint state, which others understand as hegemonism.

It is obvious that at the moment political thought in Serbia ranges in the whole field from the demands for secession and an independent state up to unitarian strivings, but the great majority of the efforts is nevertheless devoted to the search for some kind of synthesis between a great, "reborn" Serbia and its Yugoslav reality. These attempts give rise to most varied political constructions, from NIN "asymmetry" (which is actually a suspension of the federation) to Cosic's "new political solutions," which are hard to comprehend. All this of course makes agreement in the federation more difficult, for it is not quite clear to other actors on the Yugoslav internal political scene what Serbia actually wants; on some occasion, Milosevic's team appears with the most orthodox Yugoslavism, and on another occasion it behaves like a Pasic government [Nikola Pasic, Serbian politician, repeatedly premier and foreign minister of Serbia after 1888, and premier of the Kingdom of Serbs, Croats, and Slovenes 1920-26].

It often seems that the "official policy" in Serbia really lacks any comprehensive strategy, but primarily responds to the circumstances of the moment, carried on the wave of the events of its own making. Thus only a short while ago, some Serbian politicians were full of praise of the sovereignty of the Macedonian people, but now they would obviously not oppose the settlement of Serbian colonists in Macedonia. When they speak about Yugoslavia, they advocate the principle of one man, one vote, but nothing less than prison is in store for anyone who would dare to say this in Kosovo. All this is probably the reason that the Serbian leadership does not want to talk to the Slovene leadership, for it would have to put its cards on the table during any serious talks. The Milosevic team is not prepared to do this or in fact it does not know very well itself what sum it should stake in this less and less sensible poker game.

However things progress, NIN, Dobrica Cosic, and other heralds of the Serbian "renaissance" will eventually have to grasp that the Albanians, the Slovenes, and others also have a right to their "renaissance." Without this realization there is no essential minimum base on which a rational dialogue could begin about everything that plagues Serbia (as well as Slovenia, Croatia, and all other equal units in the federation.)

Kosovo Youth Federation Supports President Hodza

AU2006194989 Belgrade POLITIKA in Serbo-Croatian 18 Jun 89 p 9

[TANJUG report: "Support for the President"]

[Text] Pristina, 17 June—The Presidium of the Provincial Conference of the Socialist Youth Federation of Kosovo [SYFK] today extended unanimous support for the speech its president, Redzep Hodza, had made at the session of the Presidium of the Conference of the Socialist Youth Federation of Yugoslavia [SYFY]. At the same time, the SYFK Presidium expressed its deep indignation at the statements, behavior, and views of the delegation of the Republican Conference of the Socialist Youth Federation of Slovenia, which had walked out of the SYFK Presidium session.

This was said in the announcement issued at the session of the SYFK Provincial Conference Presidium today, which discussed current trends among young people and the latest situation created in the wake of the resignations submitted by the president and secretary of the

SYFY Conference Presidium. It is also said in the announcement that the SYFK Presidium has been receiving telegrams of support from SYFK communal conferences.

It is said in the announcement that the Presidium expressed surprise that such statements and views had come from the SYFY president and secretary, those people who allegedly swear by equal and well-argued dialogue and who this time had shown no understanding, tolerance, or desire to hear other people's views. At the same time, the announcement rejects all tendencies to use Kosovo as a subject of discord, or to use it to present such views which can estrange us from one another even more. It was assessed that efforts should be made to bring about a unity of views and stances but, it is added in the announcement, one will never accept imposed arbitration of any kind or a higher "truth" offered. For there can be nobody who is more interested in the stabilization of Kosovo's political and security situation than the peoples and nationalities living in the province.

The Presidium of the SYFK Provincial Conference suggested that there should be cooperation with the Slovene youth organization in order to reach unified stances and views on Kosovo, but it also thinks that one should conduct an empirical analysis of and research on the socioeconomic, cultural, and educational position and rights of nationalities living in Slovenia.

Obilic LC Views National Relations, Divisions

LD2006210389 Belgrade TANJUG Domestic Service in Serbo-Croatian 1441 GMT 20 Jun 89

[Excerpts] Pristina, 20 Jun (TANJUG)—A number of people employed by the Elektroprivreda Kosova [Kosovo electricity board] who encouraged ethnic Albanian workers to resist the constitutional changes in the Socialist Republic of Serbia are, no doubt, among the most responsible for the recent bloody demonstrations in Kosovo. In addition to their other shortcomings, they saw the justified petitions by the Serbian and Montenegrin cadres as undesirable and nationalist; they worked to defuse the action of the League of Communists [LC] by blocking differentiation, changing the nationality structure of the management organs in this composite organization, and persecuting the Serbs and Montenegrins...

This was said at the first electoral conference of the Obilic LC organization today at which a Municipal LC Committee was set up and its Presidium and other organs elected. The conference was attended and greeted by Tomislav Sekulic, secretary of the Presidium of the Kosovo LC Provincial Committee; Zoran Andjelkovic, member of the Presidium of the Serbian LC Central Committee; and Gani Jasari, president of the Presidium of the Pristina LC Municipal Committee. [passage omitted]

Kursumlijeu noted that in the preceding period there were cases of rape, stoning houses belonging to Serbs and Montenegrins, and writing slogans. He put the blame for the situation—the relations and divisions—on the previous president of the presidium of the Obilic LC rayon conference, Adem Hasanaj, and some other members of the Presidium. He also stressed that the former Presidium of the Kosovo LC Provincial Committee and the former Pristina LC Municipal Committee behaved in an obstructionist way. [passage omitted]

Zoran Andjelkovic, member of the Presidium of the Serbian LC Central Committee, joined in demands heard in the ensuring debate for consistent ideo-political differentation, stresing that all those responsible for the situation in Kosovo Must leave their functions. We will no longer accept excuses to the effect "we do not know who the main enemies and opponents of the LCY policy are." We risk much more if we allow those who have merely changed their tune to remain in their posts than if we bring in new people. We do not need those who are behaving like that out of fear for their own positions. We need people of conviction with a communist-like attitude toward Kosovo, Serbia, and Yugoslavia, Zoran Andjelkovic said. [passage omitted]

In a secret ballot, delegates to the first electoral conference of the Obilic LC elected 41 members of the Municipal LC Committee and its Presidium of 11 members. They also elected members of the statutory and supervisory commissions. Besim Hasani was unanimously elected first president of the Presidium of the Obilic LC municipal Committee and Dragan Radovic its secretary.

'Solidarity' Defends Work in Public Statement

LD1806175489 Belgrade TANJUG Domestic Service in Serbo-Croatian 1413 GMT 18 Jun 89

[Text] Novi Sad, 18 Jun (TANJUG)—Guidelines for the work and program of the "Solidarity" Yugoslav Federation of Associations for Assistance to Kosovo serve the policy of the SFRY, the League of Communists of Yugoslavia, the Socialist Republic of Serbia and the Serbian League of Communists [LC] Central Committee—it is said in today's statement to the Yugoslav public following the first session, yesterday in Novi Sad, of the Executive Committee of the Yugoslav Federation of Associations for Assistance to Kosovo, "Solidarity."

This statement is addressed to the Yugoslav public, it says, following unfavorable assessment and attacks on the association for assistance to Kosovo, "Solidarity" and the "Solidarity" Federation of Yugoslavia by some officials and some of the media.

The statement stresses that "Solidarity" has no ambition to interfere in cadre policy, nor will it put forward candidates for functions from its own ranks. But, the statement adds, "no one can deny us, as citizens and part of the Socialist Autonomous Workers Party [SAWP], a right to favor Mihalj Kertes, or to oppose people who have done nothing for the unity of Serbia and Kosovo and who are in the key posts."

We have made mistakes in our work so far, the statement resumes, just as they can be found everywhere, but perhaps we could have avoided them had the SAWP been more cooperative toward the associations of "Solidarity." Part of these mistakes, the statement underlines, is the activity of the "Sava" association from Nova Pazova. This association is outside the "Solidarity" Federation and it is solely responsible for its iwork. It can join the Federation once it has accepted "Solidarity's" program and the SAWP's program—emphasizes the statement.

The statement for the Yugoslav public also cites that "they do not accept the remarks about "Solidarity" by the president of the Vojvodina LC Provincial Committee Presidium, Nedeljko Sipovac." In order to have the truth established a debate is called for in the associations and federation of "Solidarity," the Vojvodina LC Provincial Committee, the Vojvodina SAWP Provincial Conference, the Serbian LC Central Committee and the Serbian SAWP Republican Conference.

The statement also condemns all the attacks on Mihalj Kertes, Radovan Pankov and other fighters against proponents of excessive autonomy and separatists.

At the end of the statement to the Yugoslav public it is pointed out that ill-founded attacks have inflicted political and material damage on "Solidarity."

The Yugoslav Federation of Associations for Assistance to Kosovo, "Solidarity," which will have its headquarters in Novi Sad, is a voluntary socialist organization to assist Kosovo and the associations for the return of Serbs and Monetenegrins to Kosovo. At the moment, besides the first established one in Novi Sad, there are also Solidarity Associations for Assistance to Kosovo in 14 towns in our country, including Smederevo, Knin, Nova Gorica, Kovacica, Vrsac, Pancevo, Sremska Mitrovica and other places in Vojvodina and Kosovo.

Serbian Assembly Debates Economic Development

LD2006104189 Belgrade TANJUG Domestic Service in Serbo-Croatian 0857 GMT 20 Jun 89

[Text] Belgrade, 20 Jun (TANJUG)—A 2-day session of the Serbian Socialist Republic Assembly began this morning. The main topic is the law on the loan of $1 million and 2 billion dinars for the republic's economic development.

Explaining the legal proposal concerning the loan at a joint session of all three Assembly chambers, Desmir Jevtic, president of the Serbian Executive Council, stressed that we are entering a period in which some of the old and ineffective programs and enterprises will disappear and the loan will ensure the conditions for the creation of new ones capable of withstanding market competition.

Delegates will today and tomorrow consider about 20 republican laws which mean harmonization with the amendments to the Serbian Constitution and the same number of draft federal laws.

Bicaj, Kajdomcaj Elected to Kosovo Presidency

LD1906124889 Belgrade TANJUG Domestic Service in Serbo-Croatian 1045 GMT 19 Jun 89

[Text] Pristina, 19 Jun (TANJUG)—At a joint session of all three chambers of the Assembly of the SAP [Socialist Autonomous Province] of Kosovo, Dr Muhamed Bicaj and Hisen Kajdomcaj were elected as members of the presidency of this province. Bicaj obtained 84 votes and Kajdomcaj 70 votes. The other two candidates, Husamedin Azemi and Dr Skender Karahoda, failed to obtain the necessary majority of votes.

At the same session three members of the Provincial Executive Council were relieved of their duties because of their objective responsibility and the need for cadre changes. They are Hajrulah Zahiti, Hisen Berisa, and Lirije Osmani.

Bonn Embassy on Albanian Nationalist Activity

LD2006194789 Belgrade TANJUG in English 1814 GMT 20 Jun 89

[Text] Bonn, June 20 (TANJUG)—An aggressive minority of Albanian nationalists in the Federal Republic of Germany is trying to scare the majority of Yugoslav-oriented Albanians and separate them from the other Yugoslavs and Yugoslavia through terror, threats, and physical violence, a statement released today by the Yugoslav Embassy in Bonn said on the occasion of the anti-Yugoslav actions by Albanian nationalists which took place last Saturday and Sunday in Aachen and Dortmund.

A group of openly-armed Albanian nationalists burst into the Yugoslav workers' club Bratsvo in Aachen last Saturday during a meeting with Croatian party leadership member Mladen Zuvela and Kosovo party leadership member Hisen Kajdomcaj, who were speaking to the rallied Yugoslav citizens, including ethnic Albanians.

The Albanian nationalists tried to interrupt the meeting using threats and force. Finally, they attacked an ethnic Albanian Yugoslav citizen for saying the he felt Yugoslav, and after the meeting was over, a member of the group fired a revolver into the air outside the club.

The same group [words indistinct] at a similar meeting in Dortmund again on Sunday, but they did not go through with their action because of the presence of West German police forces, who had been informed about the incidents.

Slovene's Rupel Compares Serbia to Great Britain

AU1606091789 Belgrade BORBA in Serbo-Croatian 15 Jun 89 p 4

[M.G. report: "Dialogue With Trieste Serbs"]

[Text] The premises of societies and movements are the favorite places of the leaders of the Slovene alliances to hold discussion forums at which they can speak about the fate of Slovenia and Yugoslavia, the backward south in Yugoslavia, and particularly unitaristic Serbia and Milosevic. Dimitrij Rupel, president of the Slovene Democratic Alliance, recently took part in a discussion forum that was organized in Trieste by the European federalist movements and alliances who are supporters of a united Europe.

After he had stressed for the umpteenth time that his party advocates a sovereign Slovenia, as a state of the Slovene people, and its direct participation in Europe as a member of the Alps-Adriatic community, Rupel was unable to avoid Serbia and its leaders, headed by Milosevic, to whom he attributed unitarism and nationalism. He compared Serbia's attitude to Yugoslavia with Great Britain's attitude to the European Community.

Members of the Serbian national community in Trieste reacted sharply to Rupel's opinions, accusing him of hating both Serbia and the Serbian people and of being against everything that came from this republic. They particularly disputed his support for a sovereign Slovenia as a state of the Slovene people as this ignores the national minorities and the non-Slovene peoples which live in Slovenia.

Although Rupel seemed to be surprised by the presence of the Trieste Serbs at this meeting, he rejected all these reproaches, claiming that all his criticisms were levelled at the Serbian leadership and especially Milosevic and not at the Serbian people who he unusually respected.

Slovene Leaders Blamed for Serbian Situation

LD2006200789 Belgrade TANJUG in English 1842 GMT 20 Jun 89

[Text] Titograd, June 20 (TANJUG)—The president of the Provincial Committee of the League of Communists of Kosovo, Rahman Morina, has accused the leadership of the Republic of Slovenia of "hindering rather than helping" normalisation of the political situation in the autonomous province forming part of the Republic of Serbia.

Addressing a political gathering in Titograd, capital of the Republic of Montenegro, Morina said that leaderships in the northern parts of the country are playing into the hands of ethnic Albanian separatists as well as feeding their own separatist aspirations on uncritical writing and even pure fabrication. Many an untruth circulating abroad about the position of ethnic Albanians in Yugoslavia has been launched from media in some parts of the country, said Morina and observed that a number of newspapers in these parts have become more extremist than the press of the hostile Yugoslav emigrants.

Morina said that the situation calls for a country-wide agreement on "what we want of our press and how free it can be."

Morina finds the disunity over Kosovo among leaderships highly disturbing because the success of the Yugoslav policy on Kosovo depends on its interpretation and implementation in all parts of the country.

Morina stressed that repression and state measures can not solve the Kosovo crisis and called for an amnesty that would benefit primarily young persons sentenced for political crimes.

Young ethnic Albanians have long been exposed to separatist and chauvinist indoctrination thanks to the wrong policy of the former Kosovo leadership, he said. The policy towards these people must be changed because in most cases prison sentences are no cure for this indoctrination, he added.

In Morina's view, the October plenum of the League of Communists of Yugoslavia (LCY) brought a concrete change in party policy in Kosovo. Ethnic Albanians support this new policy more than they dare admit publicly owing to separatist pressure, Morina said.

Asked whether the headquarters of the counter-revolution in Kosovo has been uncovered, Morina said that it is up to the state services to discover a possible underground centre of the separatist movement. He said, however, that the movement operates also through several political power centres and that the names of their leaders will soon be known.

Commenting on last month's visit to Kosovo by a delegation of the European Parliament, Morina pointed out that visits by foreign delegations can only be of help because there are no secrets in Kosovo. He said that the European Parliamentary delegation, too, visited Yugoslavia thanks to the country's openness.

Slovene Peasants Plan Milk Boycott 29 Jun

AU1906173889 Belgrade BORBA in Serbo-Croatian 15 June 89 p 5

[D.D. report: "Protest With Free Milk"]

[Text] Ljubljana, 13 Jun—The government has washed its hands of a wrong agricultural policy and does not want to take responsibility for it, says a statement by the Slovene Peasants Alliance and the Alliance of Slovene Peasant Youth. The statement also announces a boycott of sales of milk and meat on 29 June, whereby the peasants want to point out to the public the negative tendencies that prevail in the agricultural sector.

The government must take responsibility, says the statement, for the agricultural-food monopolies, thanks to which some people are earning large profits from meat and milk. On the other hand, peasants cannot influence the final price or the imports which are harming the general situation in this sector. "We are against unjustified price increases in shops and in the future we will demand 50 percent of the price of milk and an honest share of the price of meat that is paid directly by the consumer," says the statement.

With the consumers, peasants are nowadays the victims of the government's monopolistic and negligent attitude to the problem of milk and meat production. Peasants do not want to bear the entire burden of a wrong economic policy and inflation. Therefore, it is demanded that 90 percent of milk production costs for May be covered, as well as all the production costs for June, which includes covering costs and the current inflation. At the moment, a peasant receives only 30 percent of the retail price of milk and the rest goes to shops and milk distributors [mlekara].

Otherwise, the peasants have abandoned the idea of pouring milk into the streets on 29 June. Calling on citizens to support them in their demands for the well-being of everyone, they have decided to give away free milk on the day of the boycott.

Slovene LC Moots 'Organizational Independence'

AU2006181489 Ljubljana Domestic Service in Slovene 1330 GMT 20 Jun 89

[Text] At an extraordinary meeting—regular meetings being held on Mondays—the Presidium of the Central Committee of the League of Communists [LC] of Slovene met early this afternoon with a limited number of points on the agenda. By now, they have spent most time with the second point on the agenda, preparations for the session of the Central Committee of the LC of Yugoslavia and of the Central Committee of LC of Slovenia on interethnic relations. Gojko Brvar reports:

The Presidium members had two documents in their hands. They decided that the Yugoslav document was correctly prepared and that it even contains some quality differentiations, for instance between the unilateral denunciation of the national element and a critical appraisal of supernational elements. It, nevertheless, contains some elements requiring a thorough examination and explanations, for instance in the part that forgets that the crisis of the system is a consequence not only of some statism—a label which we like to affix—but also of a monopoly by one political factor, which is to say the LC, of course. Explanations will also be necessary to differentiate between the terms equality and equal rights, and in the concept of economic sovereignty of an individual leadership which does not mean erecting economic barriers. One will have to take a stand against the tendencies that in the opinion of the Slovene Communists do not lead to the solving of the question of national sovereignty and interethnic relations. In addition one will have to clarify the matters raised by unprincipled accusations, for instance the accusation of alleged Slovene neocolonialism in Kosovo.

The Slovene document will be discussed for the first time at a session of the Central Committee of the LC of Slovenia. What primarily strikes the eye in it is a changed approach to the fate of the Cebine Manifesto [of 1937]. The LC of Slovenia says that departures had occurred in implementing the manifesto, and that the pluralist relations among the forces united in the Liberation Front, for instance, had been reduced.

For the first time, the LC of Slovenia says without diplomatic beating about the bush that it does not intend to consent to being outvoted at the LC of Yugoslavia Congress in the fall, or rather that such a system of decisionmaking in the ranks of the Yugoslav Communists would cause another party congress to be held, which would be an extraordinary congress of the LC of Slovenia, at which we will decide either for a unilateral cancellation of the compliance with democratic centralism, or for a complete organizational independence of the LC of Slovenia.

The LC of Slovenia has thus publicly stated that it does not intend to yield on the national level because of the class elements, and that in a multinational community, both parts seems equally worthy and are not mutually exclusive.

The Slovene document also speaks about minorities. It says that the Hungarian and Italian nationalities have the right to decide freely on matters concerning their lives and development. The Socialist Republic of Slovenia cannot impose, on the basis of a majority decision, its political, cultural, and civilizational standards on them.

The session of the Presidium of the LC of Slovenia continues.

Tacen Gathering Adopts Conclusions at Meeting

AU2006193189 Ljubljana DELO in Slovene 19 Jun 89 p 1

["Conclusions of the Tacen Gathering" adopted at the meeting marking the 70th anniversary of the founding of the Yugoslav Communist Party and the 50th anniversary of a consultative meeting of leading Yugoslav Communists, at Tacen near Ljubljana on 17 June]

[Text] The League of Communists should join the 1989 Basic Charter of Slovenia, prepared jointly within the Socialist Alliance. In this way we express our adherence to the Cebine Manifesto [adopted at the founding of the Slovene Communist Party at Cebine in 1937] and the basic points of the Liberation Front gathering in Kocevje [1943], which decided for democracy, self-determination, and sovereignty of the Slovene people, and for a federation of free and equal peoples. We invite all citizens to support this declaration by signing it.

For the 200th anniversary of the French Revolution, the Slovene and Yugoslav authorities should release from prison the political prisoners convicted of nonviolent acts, including the civilians convicted at the Ljubljana trial of the four. Let us address this in particular to the SFRY Presidency which possesses relevant legal powers.

The federal and republican organs should examine the regulations, especially those that relate to the activities of the armed forces and the internal affairs organs and to a state of emergency. They should weed out everything that endangers the rights and freedoms of man and makes the strengthening and activities of a law-governed state more difficult. Provisions on isolation should be rescinded and a consistent respect of the rights concerning defense, the use of language, and openness in court procedure should be ensured. Let us also advocate that, like in Slovenia, the death sentence should be abolished in the rest of Yugoslavia.

Let us demand of the members of the League of Communists of Slovenia, let us appeal to all the members of the League of Communists of Yugoslavia, and let us ask all others who use the power of public speech to stop at once any interrepublican attacks and provocation of interethnic quarrels in the SFRY. We are not in favor of quarrels but in favor of frank, constructive talks.

Let us support the efforts for the implementation of the Federal Executive Council economic program, which has received mass approval. Let us especially support the strivings for mitigating the conditions of those who find it most difficult to meet the demands of the transition to a market economy. And even more, let us create, let us reduce uneconomical costs, and let us ensure better opportunities for the schools, culture, science, and health, which are our future and not our bane.

Let us support the Green alliance in our joint striving for a healthy and clean world friendly to the people.

Kucan, Slovene Party Delegation Visits Macedonia

AU1906135189 Belgrade Domestic Service in Serbo-Croatian 1300 GMT 19 Jun 89

[Text] Today, the members of the Presidium of the Central Committee of the League of Communists [LC] of Macedonia held talks with the members of a Slovene LC Central Committee delegation led by Milan Kucan, president of the Slovene party. They discussed the course of the preparations for convening the 14th Extraordinary Congress of the League of Communists of Yugoslavia, the convening of the republican congresses, the reform of the LC, and further improvements in inter-republican cooperation. An official statement on the talks will be issued later.

This afternoon, Milan Kucan, president of the Slovene LC Central Committee Presidium, will address the members of the executive organ of the sociopolitical organizations of Macedonia and speak about the current socioeconomic situation in Slovenia.

Macedonian LC Discusses Albanian Relations

LD1906165689 Belgrade TANJUG Domestic Service in Serbo-Croatian 1405 GMT 19 Jun 89

[Text] Skopje, 19 Jun (TANJUG)—It seems that the League of Communists [LC] is losing the initiative on many foreign political initiatives, especially when it is a matter of relations with neighbors and national minorities of the Yugoslav peoples in neighboring countries, and that this is being taken over by various alternative movements and groups. These critical assessments were expressed at today's session of the Macedonian LC Central Committee Commission for International Relations at which there was discussion of the current trends in Albania and the prospects for Yugoslav-Albanian relations.

Our relations with Albania will continue to be burdened by the problem of Kosovo and Greater Albanian pretentions. Kosovo, however, is our problem and despite the undisputed influence of Albania, the explosion of Greater Albanian nationalism on events there would not have come about had the institutions of our system acted, it was pointed out at the session.

The session also assessed that Yugoslavia is losing the initiative in the international sphere: "We failed to cover the temporary measures in Kosovo in terms of good propaganda, although international public opinion is requesting explanations for such measures." The speech by Lazar Mojsov in the Federal Assembly is returning to us like a boomerang because the document he invoked on Albania's interference in the Kosovo events was not published, and it also turns out that we are powerless to get at the "head of the irredentists," its leadership, which is constantly undergoing changes.

The session also assessed that the changes in Albania and its foreign policy are obvious and that it is natural to expect that it will open up. Yugoslavia should build up a specific stance on how it will react to these changes. And here the door should not be closed to the initiatives being proposed by the Western neighbor.

Montenegro Assembly Explains 'Special Measures'

LD2006200189 Belgrade TANJUG in English 1818 GMT 20 Jun 89

[Text] Titograd, June 20 (TANJUG)—The Assembly of the Yugoslav Republic of Montenegro said on Tuesday that the imposition of the special measures in the republic, due to the mass rallies of citizens last October, was not justified.

The Montenegrin Assembly concluded that the responsible bodies should assess whether there are grounds for calling to account the individuals and bodies who made this injustified decision with negative political consquences.

It was also decided to present to the public the notes from the joint session of the Montenegrin Presidency and party Central Committee which made the decision to impose the special measures.

The mass rallies in Montenegro last autumn occurred, the session said, as a result of a drastic drop in living standards and the insufficient engagement of the republican leadership to find speedier and more energetic measures for the settlement of the situation.

The October protest rallies were not activities which directly endangered the country's independence, its sovereignty and territorial integrity, and the social structure as defined by the Yugoslav Constitution.

The Montenegrin party and republican leaderships resigned last January in Titograd, the republican capital, under pressure of over 100,000 demonstrators.